Prospectus

for the public offering in the Federal Republic of Germany

of

19,925 ordinary shares with a nominal value of EUR 1.00 per share

by way of advertising measures by the Issuer in connection with the inclusion of 2,732,500 ordinary shares with a nominal value of EUR 1.00 per share to trading on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*)

of

Cryptology Asset Group p.l.c.

Sliema, Republic of Malta

International Securities Identification Number (ISIN): MT0001770107
German Securities Code (*Wertpapierkennnummer*) (WKN): A2JDEW
Ticker symbol: 4UD

The date of this Prospectus is 13 October 2020

Warning regarding the validity of the Prospectus

The validity of this Prospectus will expire after the offer by way of advertising measures by the Issuer in connection with the inclusion of shares to trading on the primary market segment (Primärmarkt) of the open market (Freiverkehr) of the Düsseldorf Stock Exchange (Börse Düsseldorf) is completed, tentatively at 4 p.m. on 20 October 2020. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

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1. Summary of the Prospectus

Section 1 – Introduction

1.1 Name and international securities identification number ("ISIN") of the securities:

This EU Growth prospectus (the ***Prospectus***) relates to 19,925 ordinary shares with nominal share value of EUR 1.00 each of Cryptology Asset Group p.l.c., Sliema, Republic of Malta (Malta) (the ***Issuer*** or the ***Company***, and, together with its subsidiary, ***Cryptology***) and with International Securities Identification Number (ISIN) MT0001770107 (the ***Shares***).

1.2 Identity and contact details of the Issuer, including its legal entity identifier ("LEI"):

The Issuer is Cryptology Asset Group p.l.c. The registered address is at Block A, Apartment 12, II-Piazzetta, Tower Road, Sliema, SLM 1605, Malta; telephone +356 799 85 85 1; website: www.cryptology-ag.com. The Issuer's LEI is 5299009Q1YLGBNUECY13.

1.3 Identity and contact details of the competent authority that approved the Prospectus:

The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* or ***BaFin***), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Germany (telephone +49 228 4108 0; website: www.bafin.de), has approved this Prospectus as competent authority under Regulation (EU) 2017/1129.

1.4 Date of approval of the EU Growth prospectus:

The Prospectus has been approved on 13 October 2020.

1.5 Warnings:

a) This summary should be read as an introduction to the EU Growth Prospectus and any decision to invest in the securities should be based on a consideration of the EU Growth Prospectus as a whole by the investor.

b) The investor could lose all or part of the invested capital.

c) Where a claim relating to the information contained in the EU Growth Prospectus is brought before a court, the plaintiff investor may, under the national law of the member states, have to bear the costs of translating the EU Growth Prospectus before the legal proceedings are initiated.

d) Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the EU Growth Prospectus, or where it does not provide, when read together with the other parts of the EU Growth Prospectus, key information in order to aid investors when considering whether to invest in the securities.

Section 2 - Key information on the Issuer

2.1 Who is the Issuer of the securities?

(a) Legal form, the law under which the Issuer operates and its country of incorporation

The Company's legal name is Cryptology Asset Group p.l.c; it also operates under the commercial name "Cryptology PLC". The Company has its registered office at Block A, Apartment 12, II-Piazzetta, Tower Road, Sliema, SLM 1605, Malta and is registered with the Malta Business Registry under Company Registration Number C-84355. The Company is a public limited liability company incorporated and governed under the laws of Malta. It was incorporated on 10 January 2018 for an unlimited duration under the Commercial Partnerships Ordinance, 1962 (Cap. 168 of the laws of Malta), and with effect from 31 December 1997 complied with the Companies Act under which it is currently regulated.

(b) Principal activities

The Company's principal activities comprise investing in blockchain-modelled companies and similar related business models, advising blockchain-based companies and investing in crypto assets around the globe. It also advises companies on how to transform and migrate their respective business models onto the blockchain technology and help these businesses in creating their own tokens where reasonable.

(c) Controlling shareholder(s)

At the date of the Prospectus, based on information available to the Company, Apeiron Investment Group Limited directly holds approximately 49.56 % of the existing Shares and voting rights of the Company (corresponding to approximately 49.56% of the voting rights in the Company) and is able to influence the Company's decision making processes significantly, however no single shareholder owns 50% or more of the Company's voting rights, and thus does not exercise control over the Company under applicable laws of Malta.

(d) Name of the Chief Executive Officer (or equivalent)

The Company's board of directors (the ***Board of Directors***) consists of Jefim Gewiet (Chief Executive Officer) and Dr. jur. Jörg Werner (independent board member).

2.2 What is the key financial information regarding the Issuer?

The Company was incorporated on 10 January 2018. The financial information contained in this Prospectus and in the following tables is, other than where otherwise indicated, taken or derived from the Company's consolidated audited financial statements as of and for the years ended 31 December 2019 and 31 December 2018 (10 January 2018 to 31 December 2018) (the ***Audited Financial Statements***). The Audited Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Key financial information regarding the *Company*

Key financial information from the income statements

(in EUR)	For the financial year 2019 (year ended 31 December 2019)	2018 (10 January 2018 to 31 December 2018)
	(audited)	
Revenue …………………..……………………..………....….	14,806,942	2,571,723
Gross operating profit / (loss) for the year.…………………………..…….	2,526,360	(1,750,605)
Total comprehensive income for the year	36,805,744	6,990,603

Key financial information from the statements of financial position

(in EUR)	As of 31 December 2019 (52 weeks)	2018 (51 weeks)
	(audited)	
Total Assets	86,058,959	37,602,526
Total Equity	70,390,960	30,285,215

Statement of cash flows

(in EUR	For the financial year 2019 (year ended 31 December 2019)	2018 (10 January 2018 to 31 December 2018)
	(audited)	
Net cash generated from / (used in) operating activities	1,972,308	(1,923,740)
Net cash flow (used in) investing activities	(13,929,495)	(27,454,837)
Net cash generated from financing activities	9,550,861	29,576,714

2.3 What are the key risks that are specific to the Issuer?

Risks related to Cyptology's business, market activities and financial position

- Cryptology may not be able to continue to implement its market strategy through further acquisitions and investments, which would damage its market position.
- Cryptology depends on its ability to adapt to changing technologies and new trends and to further develop new services. If it fails to introduce attractive new services, it may not remain competitive and could lose market share.

Risks related to Cryptology's Investment Portfolio

- The Company's success depends upon the economic development of its investments.
- The Company may misjudge both existing and possible future acquisitions of interests in portfolio companies and client bases.

Risks related to the FinTech industry

- Cryptocurrencies and blockchain technology are relatively new and their acceptance among users is uncertain.
- New technologies, including quantum computing, may render the technologies that Cryptology employs obsolete.

Legal and Regulatory Risks

- Due to its international activities, Cryptology is subject to economic, legal, tax and regulatory risks in numerous countries and jurisdictions.
- Cryptology's compliance and risk management systems may not be sufficient to prevent or detect violations of legal regulations and to identify, evaluate and take appropriate countermeasures against all relevant risks for Cryptology.
- The Company's business operations would be limited if the Company became subject to the requirements of the U.S. Investment Company Act of 1940.

Section 3 - Key information on the securities

3.1 What are the main features of the securities?

a) Type and class

The offering relates to 19,925 ordinary shares with nominal value of EUR 1.00 per share of the Company; ISIN: MT0001770107; German Securities Code (*Wertpapier-Kenn-Nummer, WKN*): A2JDEW; Ticker Symbol: 4UD. As of the date of this Prospectus, the Issuer has one class of Shares.

b) Currency, denomination, number of Shares issued and term of the securities

The currency of the Shares is Euro. Each Share of the Company represents a nominal value of EUR 1.00 in the Company's share capital. The Issuer has issued 2,732,500 shares. The Shares of the Company are issued for an indefinite term.

c) Rights attached to the securities

Each Share of the Company entitles the shareholder to one vote at the general shareholders' meeting of the Company and carries full dividend rights as of 1 January 2020. All Shares are entitled to a share of any liquidation proceeds or insolvency surplus at the ratio proportionate to the interest they hold in the share capital. In general, shareholders have the right to subscribe for new shares issued pursuant to any future capital increases in a ratio proportionate to the respective interest they hold in the share capital (subscription right).

d) Seniority in case of an insolvency

The Shares of the Company are subordinated to all other securities and claims in case of an insolvency of the Company.

e) Dividend policy

The Company may, in accordance with the Articles of Association, pay dividends, however under no circumstances may the dividend exceed the amount recommended by the Board of Directors. Any future determination to pay dividends will be proposed by the Board of Directors of the Company in accordance with applicable laws, and will depend upon, among other factors, the Company's results of operations, financial condition, contractual restrictions and capital requirements. The Company's future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

3.2 Where will the securities be traded?

The Company's Shares will be included to trading on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*) (the ***Inclusion***). The Shares are currently traded on the general open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*).

3.3 Is there a guarantee attached to the securities?

There is no guarantee attached to the Shares.

3.4 What are the key risks that are specific to the securities?

- The share price and trading volume of the Company's Shares could fluctuate significantly and investors could lose all or part of their investment.
- The Company depends on its major shareholder, whose interests may not always be aligned with those of other shareholders

Section 4 - Key information on the offer of securities to the public

4.1 Under which conditions and timetable can I invest in this security?

Offer conditions/ Scope of the Offering

The offering relates to 19,925 ordinary shares of the Company with nominal value of EUR 1.00 per share in the share capital of the Company and with full dividend rights as of 1 January 2020, consisting of advertising measures in conjunction with the Inclusion.

Offer Price

The offer price for the Shares corresponds to the respective stock exchange price and is based on the supply and demand of the buy and sell orders processed on the stock exchange. It is determined by the specialist responsible for price determination in accordance with the rules and regulations of the stock exchange with the aim of achieving an optimal balance between buy and sell orders.

Offer Period

The offer period will commence tentatively at 10 a.m. and end at 4 p.m. on 20 October 2020, the first day of trading of the Shares on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*).

Timetable of the Offering

The following is the expected timetable of the offering:

13 October 2020	Approval of the Prospectus by BaFin.
13 October 2020	Publication of the Prospectus on the Company's website (www.cryptology-ag.com)
tentatively 20 October 2020	Inclusion of the Shares to trading on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*).

Stabilisation Measures, Over-Allotment and Greenshoe Option

Not applicable, because there will be no stabilisation measures, over-allotment or greenshoe option in connection with the offering.

Plan for Distribution

Not applicable, because there will be no plan of distribution in connection with the offering.

Dilution

Not applicable, because there will be no direct dilution as a result of the offering.

Total Expenses

The total expenses for the offering payable by the Company will amount to approximately EUR 15 thousand, excluding costs of legal and accounting advisors.

Expenses Charged to Investors

Not applicable, because there will be no expenses charged to investors in connection with the offering.

4.2 Why is this Prospectus being produced?

Reasons for the Offering and the Listing

The Company believes that through the Inclusion it will increase its own visibility, enhance its external profile and improve its brand recognition. Further, the Company assumes that the listing will improve its access to capital markets and diversify its shareholder base, all of which will allow it to grow as a business.

Total Net Proceeds and Underwriting agreement

The Company will generate net proceeds from the offering, the amount of which will depend upon the number of Shares sold and the price at which they are sold. There will be no underwriting agreement in connection with the offering.

Material conflict of interest pertaining to the offer or the admission to trading

There are no conflicts of interest that are material to the offering.

Small & Mid Cap Investmentbank AG has been retained as listing agent (the **Listing Agent**) for the Company in connection with the Inclusion. Upon successful implementation of the Inclusion, the Listing Agent will receive a commission. As a result of this contractual relationship, the Listing Agent may have a financial interest in the success of the Inclusion.

4.3 Who is the offeror and/or the person asking for admission to trading?

The Issuer is the offeror of the Shares. The Issuer and Small & Mid Cap Investmentbank AG as Listing Agent have applied for the Inclusion.

2. Zusammenfassung des Prospekts

Abschnitt 1 – Einführung

1.1 Name und internationale Wertpapierkennnummer („ISIN") der Wertpapiere

Dieser EU-Wachstumsprospekt (der ***Prospekt***) bezieht sich auf 19.925 nennwertlose auf den Namen lautend Stückaktien (Stammaktien), internationale Wertpapier-Identifikationsnummer (ISIN) MT0001770107, der Cryptology Asset Group p.l.c., Sliema, Republik Malta (***Malta***) (der ***Emittent*** oder die ***Gesellschaft***, und zusammen mit ihrer Tochtergesellschaft, ***Cryptology***).

1.2 Identität und Kontaktinformationen der Emittentin einschließlich Rechtsträgerkennung (*Legal Entity Identifier* - „LEI"):

Emittentin ist die Cryptology Asset Group p.l.c., Geschäftsadresse ist Block A, Apartment 12, II-Piazzetta, Tower Road, Sliema, SLM 1605, Malta; Telefon +356 799 85 85 1; Website: www.cryptology-ag.com. Das LEI der Emittentin lautet 5299009Q1YLGBNUECY13.

1.3 Identität und Kontaktinformationen der zuständigen Behörde, die den Prospekt gebilligt hat:

Die Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Deutschland (Telefon +49 228 4108 0; Website: www.bafin.de), hat diesen Prospekt als zuständige Behörde gemäß Verordnung (EU) 2017/1129 gebilligt.

1.4 Datum der Billigung des EU-Wachstumsprospekts:

Der Prospekt wurde am 13. Oktober 2020 gebilligt.

1.5 Warnhinweise:

a) Diese Zusammenfassung sollte als Einleitung zum EU Wachstumsprospekt verstanden werden und der Anleger sollte sich bei jeder Entscheidung, in die Wertpapiere zu investieren, auf diesen EU Wachstumsprospekt als Ganzes stützen.

b) Der Anleger könnte das gesamte angelegte Kapital oder einen Teil davon verlieren.

c) Ein Anleger, der wegen der in dem EU-Wachstumsprospekt enthaltenen Angaben Klage einreichen will, muss nach den nationalen Rechtsvorschriften seines Mitgliedsstaats möglicherweise für die Übersetzung des Prospekts aufkommen, bevor das Verfahren eingeleitet werden kann.

d) Zivilrechtlich haften nur diejenigen Personen, die diese Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung, wenn sie zusammen mit den anderen Teilen des EU Wachstumsprospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des EU-Wachstumsprospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen würden.

Abschnitt 2 - Basisinformationen über den Emittenten

2.1 Wer ist der Emittent der Wertpapiere?

(a) Rechtsform des Emittenten, für ihn geltendes Recht und Land der Eintragung

Die Firma der Gesellschaft lautet Cryptology Asset Group p.l.c.; sie ist daneben unter der kommerziellen Bezeichnung „Cryptology PLC" tätig. Die Gesellschaft hat ihren Sitz in Sliema, Malta mit der Geschäftsadresse Block A, Apartment 12, II-Piazzetta, Tower Road, Sliema, SLM 1605, Malta, und ist im maltesischen Handelsregister (Malta Business Registry unter der Gesellschaftsregistrierungsnummer C-84355 eingetragen. Die Gesellschaft ist eine "Public Limited Liability Company" und unterliegt maltesischem Recht. Sie wurde am 10. Januar 2018 auf unbefristete Zeit errichtet gemäß der Commercial Partnerships Ordinance, 1962 (Kapitel 168 der Gesetze Maltas), und mit Geltung vom 31. Dezember 1997 des Companies Act, welchen Gesetzen sie derzeit unterliegt.

(b) Haupttätigkeiten

Die Hauptgeschäftstätigkeiten der Gesellschaft umfassen Anlagen in Unternehmen, die auf einem Blockchain-Modell basieren, sowie in ähnlichen verwandten Geschäftsmodellen, die Beratung von Unternehmen, die auf einem Blockchain-Modell basieren, und Anlagen in Kryptovermögen auf den ganzen Welt. Die Gesellschaft berät ebenfalls Unternehmen bei der Umwandlung und Migration ihrer jeweiligen Geschäftsmodelle zur Blockchaintechnologie und hilft solchen Unternehmen dabei, in angebrachten Fällen ihre eigenen Tokens aufzubauen.

(c) Herrschende(r) Aktionär(e)

Zum Datum dieses Prospekts hält Apeiron Investment Group Limited, basierend auf der Gesellschaft zur Verfügung stehenden Informationen, unmittelbar ca. 49,56% der bestehenden Aktien und Stimmrechte an der Gesellschaft (das entspricht ca. 49,56% der Stimmrechte an der Gesellschaft) und kann die Beschlussverfahren der Gesellschaft bedeutend beeinflussen. Allerdings hält kein einzelner Gesellschafter 50% oder mehr der Stimmrechte der Gesellschaft und somit ist gemäß maltesischem Recht kein Gesellschafter ein herrschender Aktionär.

(d) Name des Vorstandsvorsitzenden (oder Äquivalent)

Das Board of Directors der Gesellschaft (***Board of Directors***) umfasst Jefim Gewiet (Chief Executive Officer) und Dr. jur. Jörg Werner (unabhängiges Mitglied des Board of Directors).

2.2 Welches sind die wesentlichen Finanzinformationen über den Emittenten?

Die Gesellschaft wurde am 10. Januar 2018 gegründet. Die Finanzinformationen in diesem Prospekt und in den folgenden Tabellen wurden, soweit nicht anders angegeben, den geprüften Konzernjahresabschlüssen der Cryptology Asset Group p.l.c. für die zum 31. Dezember 2019 und 31. Dezember 2018 (vom 10. Januar 2018 zum 31. Dezember 2018) endenden Geschäftsjahre (die ***Geprüften Konzernabschlüsse***) entnommen oder daraus abgeleitet. Die Geprüften Konzernabschlüsse der Gesellschaft wurden nach den in der von der Europäischen Union verabschiedeten Form der International Financial Reporting Standards (IFRS) erstellt.

Wesentliche Finanzinformationen der Cryptology Asset Group p.l.c.

Wesentliche Finanzinformationen aus den Gewinn- und Verlustrechnungen

	Für das Geschäftsjahr	
	2019 (das zum 31. Dezember 2019 endende Geschäftsjahr)	**2018 (vom 10. Januar 2018 bis zum 31. Dezember 2018)**
(in EUR)	**(geprüft)**	
Umsatzerlöse……….……..	14.806.942	2.571.723
Operativer Gewinn / Verlust für das Jahr……………………………………………	2.526.360	(1.750.605)
Summe Jahresüberschuss	36.805.744	6.990.603

Wesentliche Finanzinformationen aus den Bilanzen

	Zum 31. Dezember	
	2019 (52 Wochen)	**2018 (51 Wochen)**
(in EUR)	**(geprüft)**	
Summe Vermögenswerte ……………………………………………………………..…	86.058.959	37.602.526
Summe Eigenkapital ………………..……………..……………………………..…….	70.390.960	30.285.215

Daten aus der Kapitalflussrechnung

	Für das Geschäftsjahr	
	2019 (das zum 31. Dezember 2019 endende Geschäftsjahr)	**2018 (vom 10. Januar 2018 bis zum 31. Dezember 2018)**
(in EUR)	**(geprüft)**	
Netto-Cashflows aus der laufenden (verwendet für) Geschäftstätigkeit	1.972.308	(1.923.740)
Netto-Cashflows aus der (verwendet für) Investitionstätigkeit	(13.929.495)	(27.454.837)
Netto-Cashflows aus der Finanzierungstätigkeit	9.550.861	29.576.714

2.3 Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?

Risiken bezüglich der Geschäftstätigkeit, der Markttätigkeiten und Finanzlage der Cryptology

- Cryptology könnte es nicht gelingen, ihre Marktstrategie weiterhin durch zusätzliche Erwerbe und Investitionen umzusetzen, was ihre Marktposition gefährden könnte.
- Cryptology hängt von ihrer Fähigkeit ab, sich an die technologische Entwicklung und neue Trends anzupassen und neue Dienstleistungen weiterzuentwickeln. Wenn sie daran scheitert, neue, attraktive Dienstleistungen auf den Markt zu bringen könnte sie sich auf dem Markt nicht behaupten und Marktanteile einbußen.

Risiken bezüglich des Analgeportfolios der Cryptology

- Der Erfolg der Gesellschaft hängt von der wirtschaftlichen Entwicklung ihrer Anlagen ab.
- Die Gesellschaft könnte sowohl bestehende als auch künftige mögliche Erwerbe von Anteilen an Beteilungungsgesellschaften und Kundenkreise falsch einschätzen.

Risiken bezüglich des Fintechbereichs

- Kryptowährungen und Blockchain-Technologie sind relativ neu und ihre Annahme beim Anwenderkreis ist ungewiss.
- NeueTechnologien, einschließlich Quanten-Computing, könnten die von Cryptology verwendeten Technologien obsolet machen.

Rechtliche und regulatorische Risiken

- Als Folge ihrer internationalen Tätigkeiten unterliegt Cryptology wirtschaftlichen, gesetzlichen, steuerlichen und regulatorischen Risiken in einer Vielzahl von Ländern und Jurisdiktionen.
- Die Compliance- und Risikomanagement-Systeme der Cryptology könnten unausreichend sein, Verstöße von gesetzlichen Bestimmungen zu vermeiden oder festzustellen, sowie entsprechende Gegenmaßnahmen in Bezug auf sämtliche relevanten Risiken für Cryptology zu ermitteln, bewerten oder durchzuführen.
- Die Geschäftstätigkeit der Gesellschaft wäre eingeschränkt, wenn die Gesellschaft den Erfordernissen des US-amerikanischenInvestment Company Act von 1940 unterliegen würde.

Abschnitt 3 - Basisinformationen über die Wertpapiere

3.1 Welches sind die wichtigsten Merkmale der Wertpapiere?

a) Art und Gattung

Das Angebot bezieht sich auf 19.925 Stückaktien der Gesellschaft mit einem anteiligen Betrag am Grundkapital der Gesellschaft von EUR 1.00 je Aktie; ISIN: MT0001770107; Wertpapier-Kennnummer (WKN): A2JDEW; Börsenkürzel:

4UD. Zum Prospektdatum hat die Emittentin eine Aktiengattung.

b) Währung, Stückelung, Anzahl der begebenen Aktien und Laufzeit der Wertpapiere

Die Währung der Aktien ist Euro. Jeder Aktie entspricht einem anteiligen Betrag am Grundkapital der Gesellschaft von EUR 1,00. Die Emittentin hat 2.732.500 Aktien ausgegeben. Die Aktien der Gesellschaft werden auf unbestimmte Zeit ausgegeben.

c) Mit den Wertpapieren verbundene Rechte

Jede Aktie der Gesellschaft, einschließlich der Neuen Aktien, berechtigt den Aktionär zu einer Stimme in der Hauptversammlung der Gesellschaft. Die Aktien sind ab dem 1. Januar 2020 gewinnberechtigt. Sämtliche Aktien, einschließlich der Neuen Aktien, vermitteln einen Anspruch am Liquidationserlös oder Insolvenzüberschuss im Verhältnis ihrer Beteiligung am Grundkapital. Grundsätzlich haben die Aktionäre bei der Ausgabe neuer Aktien ein Bezugsrecht im Verhältnis ihrer Beteiligung am Grundkapital der Gesellschaft.

d) Rang im Fall einer Insolvenz

Die Aktien der Gesellschaft sind im Fall einer Insolvenz der Gesellschaft gegenüber allen anderen Wertpapieren und Forderungen nachrangig.

e) Dividendenpolitik

Die Gesellschaft darf, gemäß ihrer Satzung, Dividenden ausschütten, aber der Betrag der Dividende darf keinesfalls den vom Board of Directors empfohlenen Betrag überschreiten. Etwaige Beschlüsse der Gesellschaft, zukünftig Dividenden auszuschütten, werden vom Board of Directors bei Einhaltung von anwendbaren Gesetzen vorgeschlagen werden und hängen u.a. von dem Betriebsergebnis, der Bilanz, den verträglichen Einschränkungen und dem Kapitalbedarf ab. Die Fähigkeit der Gesellschaft zukünftig Dividenden auszuschütten kann durch die Bedingungen von bestehenden oder zukünftigen Anleihen oder genussscheinähnlichen Wertpapieren eingeschränkt werden.

3.2 Wo werden die Wertpapiere gehandelt?

Die Aktien der Gesellschaft werden in das Segment Primärmarkt des Freiverkehrs an der Börse Düsseldorf einbezogen sein (die ***Einbeziehung***). Derzeit werden die Aktien der Gesellschaft im allgemeinen Freiverkehr an der Börse Düsseldorf gehandelt.

3.3 Wird für die Wertpapiere eine Garantie gestellt?

Es gibt keine Garantie in Verbindung mit den Aktien.

3.4 Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Der Aktienkurs und das Handelsvolumen der Aktien der Gesellschaft können erheblich schwanken und Investoren könnten ihre Anlage ganz oder teilweise verlieren.
- Die Gesellschaft ist auf ihren Hauptaktionär angewiesen, dessen Interessen nicht stets mit den Interessen der anderen Aktionäre übereinstimmen könnten.

Abschnitt 4 - Basisinformationen über das öffentliche Angebot von Wertpapieren

4.1 Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Angebotskonditionen

Das Angebot bezieht sich auf den Verkauf von insgesamt 19.925 Stückaktien der Gesellschaft mit einem anteiligen Betrag am Grundkapital der Gesellschaft von EUR 1,00 je Aktie und mit voller Dividendenberechtigung ab dem 1. Januar 2020, und umfasst Werbemaßnahmen in Verbindung mit der Einbeziehung.

Preisspanne

Der Angebotspreis für die Aktien entspricht dem jeweiligen Börsenpreis und orientiert sich nach Angebot und Nachfrage der über die Börse abgewickelten Kauf- und Verkaufsaufträge. Es wird durch einen Spezialisten berechnet, unter dessen Verantwortung die Ermittlung des Preises gemäß dem Regelwerk der Börse mit dem Ziel, ein optimales Verhältnis zwischen Kauf- und Verkaufsaufträgen zu erreichen.

Angebotsfrist

Die Angebotsfrist beginnt voraussichtlich um 10.00 Uhr und endet um 16.00 Uhr am 20. Oktober 2020, dem ersten Handelstag der Aktien im Primärmarkt des Freiverkehrs an der Börse Düsseldorf.

Zeitplan des Angebots

Nachstehende Tabelle zeigt den voraussichtlichen Zeitplan des Angebots:

13. Oktober 2020	Billigung des Prospekts durch die BaFin.
13. Oktober 2020	Veröffentlichung des Prospekts auf der Webseite der Gesellschaft (www.cryptology-ag.com)
voraussichtlich 20. Oktober 2020	Einbeziehung der bestehenden Aktien der Gesellschaft in den Handel im Segment Primärmarkt des Freiverkehrs an der Börse Düsseldorf.

Stabilisierungsmaßnahmen, Mehrzuteilung und Greenshoe-Option

Entfällt. weil es im Zusammenhang mit dem Angebot keine Stabilisierungsmaßnahmen, Mehrzuteilung und Greenshoe-Option geben wird.

Plan für die Zuteilung

Entfällt. weil im Zusammenhang mit dem Angebot kein Plan für die Zuteilung bestehen wird – die Aktien werden im Freiverkehr veräußert..

Verwässerung

Entfällt. weil im Zusammenhang mit dem Angebot keine unmittelbare Verwässerung geben wird.

Gesamtkosten

Die auf die Gesellschaft entfallende Gesamtkosten im Zusammenhang mit dem Angebot werden rund EUR 15 Tausend, ausschließlich Rechtsberater -und Wirtschaftsprüferkosten, betragen.

Kosten, die Anlegern in Rechnung gestellt werden

Entfällt, weil im Zusammenhang mit dem Angebot den Anlegern keine Kosten in Rechnung gestellt werden.

4.2 Weshalb wird dieser Prospekt erstellt?

Gründe für das Angebot und die Zulassung zum Handel

Gesellschaft ist davon überzeugt, dass sie durch die Einbeziehung ihre eigene Sichtbarkeit erhöhen, ihr externes Profil verbessern und ihre Markenbekanntheit verbessern wird. Darüber hinaus geht die Gesellschaft davon aus, dass die Notierung den Zugang zu den Kapitalmärkten verbessern und die Aktionärsbasis diversifizieren wird, was es ihr ermöglicht, als Unternehmen zu wachsen.

Gesamtnettoerlöse und Übernahmevertrag

Die Gesellschaft wird durch das Angebot Gesamtnettoerlöse erzielen, deren Höhe von der Anzahl der verkauften Aktien und dem Preis zu dem sie verkauft werden abhängen wird. Es wird im Zusammenhang mit dem Angebot keinen Übernahmevertrag geben.

Wesentliche Interessenkonflikte hinsichtlich des Angebots oder der Zulassung zum Handel

Hinsichtlich des Angebots bestehen keine wesentlichen Interessenskonflikte.

Small & Mid Cap Investmentbank AG wurde von der Gesellschaft als Listing Agent (der ***Listing Agent***) im Zusammenhang mit der Einbeziehung bestellt. Der Listing Agent erhält nach erfolgreichem Abschluss der Einbeziehung eine Provision für seine Aktivitäten. Als Folge dieser vertraglichen Beziehung könnte der Listing Agent ein finanzielles Interesse am Erfolg der Einbeziehung haben.

4.3 Wer ist der Anbieter und/oder die die Zulassung zum Handel beantragende Person?

Die Angebotsaktien werden durch die Emittentin angeboten. Die Emittentin und Small & Mid Cap Investmentbank als Listing Agent werden die Einbeziehung beantragen.

3. General Information

3.1. Responsibility Statement

Cryptology Asset Group p.l.c., with its registered office at Block A, Apartment 12, Il-Piazzetta, Tower Road, Sliema, SLM 1605, Malta, a Maltese public limited liability company incorporated on 10 January 2018 with Company Registration Number C-84355, 5299009Q1YLGBNUECY13 (telephone +356 799 85 85 1), has assumed responsibility for the contents of this Prospectus pursuant to Section 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declares, to the best of its knowledge, that the information contained in this Prospectus is correct and that the Prospectus makes no material omission likely to affect its import.

In this Prospectus, Cryptology Asset Group p.l.c. is referred to as the **Company** or the **Issuer**; the Company together with its subsidiary, Cryptology Advisory Limited, is referred to as **Cryptology**.

The Company's Legal Entity Identifier (**LEI**) is: 5299009Q1YLGBNUECY13. The Company's website is (www.cryptology-ag.com). Information contained on the Company's website is not incorporated by reference in this Prospectus and is not part of this Prospectus.

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the **EEA**).

3.2. Subject Matter of this Prospectus

The subject matter of the Prospectus are 19,925 ordinary shares, all of which are owned by the Company as treasury shares, with each such share representing a nominal value of Euro 1.00 per share in the Company's share capital (the **Shares**). In conjunction with the inclusion to trading of the Shares on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*) (the **Inclusion**), the Company intends to undertake specific advertising measures for the Shares through the offering, primarily to increase the Company's level of awareness in investor circles and to position itself in the capital markets.

The Shares are not the subject of an application for admission to trading on a regulated market, nor are the Shares currently intended to be sold on other equivalent markets.

The Shares are currently traded on the open market (*Freiverkehr*) of the Düsseldorf stock exchange.

The Inclusion will constitute, in connection with advertising measures of the Company in relation to the 19,925 Shares it holds, a public offer by the Company within the meaning of Article 2(d) of the Regulation (EU) 2017/1129 (the **Prospectus Regulation**).

After publication of the Prospectus, the Company intends to draw the attention of the general public within the scope of the German Securities Prospectus Act to the Inclusion, in particular by publishing regular corporate news, in order to become known on the capital markets and at the same time to enable an unspecified number of investors to decide on the purchase of the shares of the Company.

3.3. Approval of the Prospectus

a) This Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* - ***BaFin***), Marie Curie Straße 24-28, 60439 Frankfurt am Main, Germany (telephone +49 228 4108 0; Website: www.bafin.de), as competent authority under Regulation (EU) 2017/1129.

b) BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129.

c) Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this Prospectus.

d) Investors should make their own assessment as to the suitability of investing in the securities.

e) This Prospectus has been drawn up as an EU Growth prospectus in accordance with Article 15 of the Regulation (EU) 2017/1129.

3.4. Forward-looking Statements

This Prospectus contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in the Prospectus on future earnings capacity, plans and expectations regarding Cryptology's business, its growth and profitability, as well as the general economic and legal conditions and other factors to which Cryptology is exposed.

The forward-looking statements contained in this Prospectus are based on the Company's current estimates and assessments. These forward-looking statements are based on assumptions and are subject to risks, uncertainties and other factors. The Company assumes no obligation to update such forward-looking statements or to adjust these to future events or developments, unless it is legally required to do so. Such a legal obligation exists pursuant to Article 23 of the Prospectus Regulation with regard to significant new factors, material mistakes or material inaccuracies of the Prospectus, which have to be mentioned in a supplement.

3.5. Information from Third Parties and Company Estimates

Any information provided in this Prospectus on market shares, market developments and trends, on growth rates, sales in the markets and on the competitive situation of Cryptology are based on publically accessible sources or estimates of Cryptology Asset Group p.l.c. The sources of the respective information are listed at the appropriate places in the Prospectus.

To the extent information in the Prospectus was derived from third-party sources, it has been reproduced accurately. As far as Cryptology Asset Group p.l.c. is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. However, industry and market research reports and analyses and other sources of third party information are frequently based on information and assumptions that may not be accurate, complete or technically correct, and their methodology is by nature forward-looking and speculative.

Such information generally states that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Irrespective of the assumption of responsibility or the contents of the Prospectus by Cryptology Asset Group p.l.c.and the validity of the statements made in the previous paragraph of this section, Cryptology Asset Group p.l.c.has not verified the figures, market data and other information used by third parties in their studies, publications and financial information, or the external sources on which Cryptology Asset Group p.l.c. estimates are based. Cryptology Asset Group p.l.c. cannot give any assurance as to the accuracy of market data contained in the Prospectus which have been taken or derived from these industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. Therefore, irrespective of the validity of the statements made in the previous paragraph of this section, Cryptology Asset Group p.l.c. does not assume any liability for and offers no guarantee as to the accuracy of the data from studies and third-party sources contained in the Prospectus and/or for the accuracy of data on which Cryptology Asset Group p.l.c's estimates are based. Furthermore, the Prospectus contains market estimates and other data and information which are based on Cryptology Asset Group p.l.c.'s assessments. These assessments, in turn, are based in part on its own observations of the market, on the evaluation of industry information and data that cannot be obtained from publications by market research institutes or from other independent sources or on internal assessments. The Company believes that its estimates of market and other data and the information that has been derived from such data assists investors to better understand the industry it operates in and its position within it. Its own estimates and the information derived from them have not been checked or verified externally. They may differ from estimates made by its competitors or from future studies conducted by market research institutes or other independent sources. It nevertheless assumes that its own market observations are reliable.

4. Information about the Issuer and its Business

4.1. Information about the Issuer

4.1.1. General Information on the Company

Company name, business registry data and LEI

The legal name of the Company is Cryptology Asset Group p.l.c. The Company also operates under the commercial name "Cryptology PLC".

The Company is currently registered with the Malta Business Registry under Company Registration Number C-84355.

The Legal Entity Identifier (LEI) of the Company is: 5299009Q1YLGBNUECY13.

Incorporation

The Company was incorporated on 10 January 2018 as a Maltese public limited liability company, having its registered office at Block A, Apartment 12, Il-Piazzetta, Tower Road, Sliema, SLM 1605, Malta.

The Company is incorporated and governed under the laws of Malta. It was incorporated for an unlimited duration under the Commercial Partnerships Ordinance, 1962 (Cap. 168 of the laws of Malta), and with effect from 31 December 1997 complied with the Companies Act under which it is currently regulated.

The Company was incorpoarted with the share capital of EUR 2,000,000.00 divided into 2,000,000 ordinary shares with the nominal value of EUR 1.00 per share in the Company's share capital.

The Company presently has an issued share capital of EUR 2,732,500.00 divided into 2,732,500 ordinary shares with the nominal value of EUR 1.00 per share in the Company's share capital.

It is registered with the Malta Business Registry under Company Registration Number C-84355.

Publications

According to section 165 of the Company's articles of association (the **Articles of Association**) the Company's notifications are published on the Company's website or on the website of the market on which the Shares are listed or the Federal Gazette of Germany.

Auditors

The Company's statutory auditor is Parker Randall Turner, located at 13, Curate Fenech Street, Birzebbugia BBG2032, Malta. The consolidated audited annual financial statements of the Company for the years ended 31 December 2019 and 31 December 2018 (10 January 2018 to 31 December 2018) were prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union.

4.2. Business

4.2.1. Overview of Cryptology's Business and History and Milestones

The Company is a Malta based investment company investing in blockchain-modelled companies and similar related business models, advising blockchain-based companies and investing in crypto assets. Founded by Christian Angermayer's family office Apeiron Investment Group Ltd, the company aims to become the leading crypto asset holding in Europe. Cryptology both takes minority and majority stakes in crypto companies as well as in tokens and crypto currencies. Furthermore, Cryptology advises companies on how to transform and migrate their respective business models onto the blockchain.

It aims to become the leading European investor into crypto assets and blockchain related business models. It advises and supports companies in developing their business model towards the blockchain and to create their own tokens where reasonable.

In addition, Cryptology also manages a considerable amount of assets for third parties, so long as no specific licenses are required for doing so. In cases where licenses are required, the Company relies on companies with appropriate licenses in which it has made, such as nextmarkets und Iconic Fund, or cooperates with partners such as EOS VC Fund of FinLab. Moreover, the Company also advises in the areas of blockchain and token development.

Cryptology manages a concentrated portfolio of prominent investments. The Company's core assets comprise interests in Block.one and Northern Data AG. The acquisition of further interests will occur on an opportunistic basis, in line with the strategy of maintaining a concentrated portfolio.

4.2.2. Strategy, Objectives and Outlook

Since its foundation, the Company has posted positive growth despite a very volatile market environment in the crypto-asset and blockchain sector (particularly during the so-called "crypto winter"). This is primarily the result of its being able to access investments with good prospects through its strong network. Nevertheless, Cryptology's core investments, Block.one and Northern Data AG, which are concurrently the Company's biggest growth drivers, remain in an early phase of their development. As a result, the Company expects these assets to gain further value in the future. The potential growth of Northern Data AG hinges on the expansion of its capacities in the high performance computing area, while Block.one is expected to come to fruition in line with the further development of the EOS blockchain, which already boasts the, to the Company's knowledge, highest number of blockchain transactions worldwide. In addition, Block.one's "VOICE" platform, which is currently in the beta testing phase and is expected to be launched in the coming months, is expected to have a significant positive impact on Block.one's performance.

The Company expects the crypto-asset and blockchain sectors to experience high growth in the coming years, whereas Cryptology will continue growing at a pace higher than the rest of the market. Cryptology intends to expand its investments opportunistically by acquiring interests in additional portfolio companies that, in management's view, complement existing interests and thus promote the Company's strategy of building a diversified portfolio comprising companies with blockchain-based business models.

4.2.3. Products and Services

As noted above, the Company operates as an asset manager investing in blockchain-modelled companies and similar related business models, advising blockchain-based companies and investing in crypto assets around the globe, as part of its asset management business, and it also advises companies on how to transform and migrate their respective business models onto the blockchain, as part of its advisory business.

Cryptology views itself as a fast-growing asset manager; the Company's Audited Financial Statements for the year ended 31 December 2019, in line with IFRS, show total equity of EUR 77.7 million, supported by a portfolio value of EUR 73.4 million (not including assets under management (***AuM***).

The Company operates two arms in its asset management business:

- Creating investment products for institutional and retail investors, including through the Company's investment in Iconic Holdings. Investment products include exchange-traded notes (***ETNs***) that track the price of crypto coins, creating index trackers for institutional investors such as “Crypto 20”, which tracks the 20 largest crypto tokens. ETNs are listed debt securities which track the valuation of a referenced underlying asset. The Company intends to launch an ETN on a major exchange later this year, thus opening the gates for mainstream investors; and

- Private clients, placing investments into specific opportunities such as Block.one by way of carry agreements. This is in addition to Cryptology’s own significant 2.08% stake in Block.one. The Company intends to take the same approach with similar opportunities in the future, scaling up the funds it manages on behalf of third-party investors.

Cryptology makes proprietary investments from its balance sheet, mainly into crypto-related ventures.

Key investments include:

- Block.one, creator of the EOS token which has completed the, to the Company's knowledge, largest token sale ever, in the amount of approximately USD 4 billion; VOICE - the blockchain based social media platform created by Block.one — has been officially launched in early July 2020. VOICE is presently available to the general public in the read-only mode. Currently, the network permits registered community members to post content. As from 15 August 2020, registered users will be allowed to send invites to the platform to family members and friends; and

- Northern Data AG, which builds and offers global infrastructure solutions in the field of High-Performance-Computing (HPC), offering solutions in the fields of blockchain applications, machine learning and artificial intelligence, big data analytics, game streaming and others.

In order to diversfy its investing activities, the Company generally employs a multi-faceted investment approach, which comprises

- investing through its own balance sheet by using shareholders' equity;

- managing third-party money by holding assets under management; and

- taking stakes in other asset managers by investing in funds.

4.2.4. Research & Development

The Company does not engage in any research and development activities.

4.2.5. Regulatory Environment

Cryptology's business activities are subject to various regulatory requirements under European law and applicable national laws of the countries in which Cryptology operates.

4.2.6. Employees

The Company employs one full-time employee and one part-time employee, the Company's CEO.

Neither the Company nor its subsidiary has had any stock participation plans or pension liabilities since its founding. No amounts have been set aside or accrued by the Company or its subsidiary to provide for pension, retirement or similar benefits.

4.3. Market and Competitive Landscape

4.3.1. General Market Overview

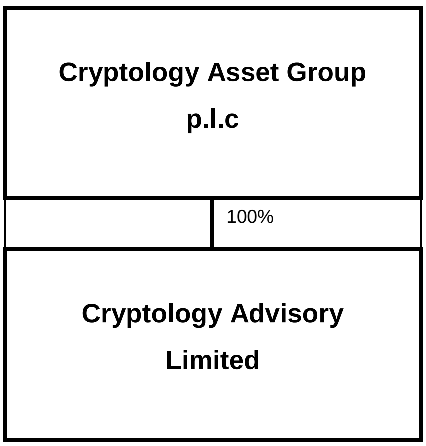
In Cryptology's view, Crypto and crypto-based assets comprise a novel, dynamic and fast-growing market. Following the so-called "crypto winter“, which resulted in a consolidation of the crypto assets market, in Cryptology's opinion, players such as Block.one and Northern Data AG have established themselves as market leaders. The security token market is also slowly developing and could, in Cryptology's opinion, become an attractive asset class for institutional investors. The Company believes Blockchain technology is gaining acceptance in a number of different industries and as a result increased novel securities issues can be expected in this area, in conjunction with growing market volume. Germany seeks a leading role in the creation of a robust regulatory framework for crypto assets and unveiled its blockchain strategy in the fall of 2019. In early 2020, revisions to the German Banking Act (*Kreditwesengesetz* – KWG) expanding financial instruments linked to crypto assets and financial services related to crypto asset custody came into effect. The Company sees itself as a globally active investor with the goal of becoming Europe's largest asset manager in the area of crypto-asset and blockchain-based business models. While the Company primarily operates in Europe and USA, the Company is always searching for new business opportunities worldwide.

4.3.2. Competition and Competitive position of Cryptology

The competition in the areas in which the Company operates is deeply fragmented. At this time, the Company believes that there are only a handful of institutional investors in Europe who have the capacity to engage in significant investments in crypto assets and blockchain technology enterprises. The majority of such investments has come from venture capital entities, family offices and corporate structures that grasped the importance of blockchain for their business model early on, such as public utilities and banks. In the Company's opinion, most sector-specific investors have limited assets under management, with the exception of entities such as Finlab AG, which in addition to its fintech investments manages a fund that exclusively invests in blockchain-based business models. A majority of investments made by the Company's competitors are still at a very early stage and not nearly as mature as the Company's portfolio companies such as Block.one and Northern Data AG.
A further significant competitor of the Company in the crypto-asset and blockchain sector is Crypto Finance AG, an unlisted company headquartered in Zug, Switzerland. Through three of its subsidiaries, Crypto Fund AG, Crypto Broker AG (Trading) and Crypto Storage AG (Storage), this competitor offers services in the areas of blockchain and banking, with a particular focus on the asset management of crypto assets, brokerage and access to digital assets as well as the custody of such assets. The Company believes it has a competitive advantage against Crypto Finance AG in the area of asset management, because Cryptology is less susceptible to fluctuations in the sector, but rather is able to post profits in bearish markets using its well-balanced investment strategies. The Company posted significant gains in comparison to its competitors during the so-called "crypto winter“. The network that the Company has succeeded in building, particularly through its advisory board (***Advisory Board***) members Christian Angermayer and Mike Novogratz also represents an important competitive advantage, especially in terms of deal flow and market analysis.

4.4. Organisational Structure

As shown in the following organizational diagram, the Company has a wholly owned subsidiary, Cryptology Advisory Limited, Sliema, Malta, which provides consultancy services for the Company.



4.5. Portfolio Structure

As of the date of the Prospectus, Cryptology holds the following interests.

4.5.1. Block.one LLC- 2.08% stake

Block.one LLC is a Cayman Islands based developer of an operating system called EOS, which allows for the development and management of scalable decentralized autonomous communities. In addition, Block.one recently announced the introduction of "Voice“, an EOS-platform social network offering users participation in the network's financial operations. Block.one earned around USD 4 billion in its initial coin offering in 2018. Cryptology holds 24,000 of the company's total number of issued shares, which represents an interest of approximately 2.08%.

4.5.2. Cloudeo International Holding Inc.- stake 14.3%

Cloudeo is a leading marketplace for geodata and geoservices. Cloudeo recently entered into a EUR 6.8 million agreement with the European Space Association (ESA). Cloudeo will utilize blockchain technology to develop novel data monetization opportunities by taking advantage of the related transparency and security. Claudeo international Holding Inc. is headquartered in Delaware and acts as the holding company of the group. Business operations are conducted by two wholly owned subsidiaries: claudeo LLC, Delaware, which is responsible for operations in the US and claudeo AG, Munich, which is responsible for operations in Europe, the Middle East and Africa. Cryptology holds 3,000 of the company's 20,979 issued shares, which represents an interest of approximately 14.3%.

4.5.3. Northern Data AG- 17.53%

Northern Data AG is headquartered in Frankfurt and develops and produces infrastructure solutions in the High-Performance Computing (HPC) area, offering solutions in machine learning, artificial intelligence, big data analytics, blockchain, game streaming and other areas. The company is the result of a merger between the German company Northern Bitcoin AG and the American company Whinstone US Inc. It is now a recognized global market leader in HPC solutions, which it offers on both a stationary basis in large, modern computing centers as well as mobile high tech computing centers operating on a container basis, which can be set up at any given location around the world. In doing so, the company combines its proprietary software and hardware with intelligent concepts to provide sustainable energy supply. In Texas, Northern Data AG is currently building the largest HPC computing center in the USA, which will concurrently serve as the largest site in the world dedicated to HPC applications. The shares of Northern Data AG have been traded on the open market of the Munich Stock Exchange (m:access segment) since September 2018. Cryptology holds 2,540,647 of the company's total number of issued shares, which represents an interest of approximately 17.53%.

4.5.4. nextmarkets- 30.45%stake

nextmarkets is an online broker with an innovative trading platform built on a proprietary in-house technology top to bottom, enabling cutting-edge product innovation. It is one of the few online brokers with a wide range of licenses, from the securities trading bank, to portfolio management and investment advice. nextmarkets also offers expert-curated investing, having a dozen hand-picked coaches generating investment ideas across all asset classes for the benefit of its customers. In the future, nextmarkets is expected to accommodate derivatives trading in crypto-assets. The platform is being financed by a number of investors including Peter Thiel, Founders Fund, FinLab AG and Falk Strascheg. Cryptology holds 32,098 of the company's total number of issued shares, which represents an interest of approximately 30.45%.

4.5.5. Iconic Holdings- 11.14% stake

Iconic is headquartered in Frankfurt and offers crypto-asset investment opportunities for both institutional and retail investors. Cryptology holds 5,734 of the company's total number of issued shares, which represents an interest of 11.14%.

4.6. Investments

4.6.1. Past material Investments

Material investments since 31 December 2019 until the date of the Prospectus

Since 31 December 2019 until the date of the Prospectus, the Company invested an additional EUR 5,547,811 in Northern Data shares.

During this period, the Company also purchased four different funds that enhanced Cryptology's investment portfolio at an aggregate price of EUR 4.38 million.

4.6.2. Current and future material Investments

There are no material investments of the Company in progress and the Company has not already made any firm commitment for any material investments.

4.7. Trend Information

This section contains a description of the most significant trends affecting the business of Cryptology since the end of the financial year ended 31 December 2019 and up to the date of this Prospectus (the ***Relevant Period***).

The Company is expected to continue building on the business platform it was able to transform and strengthen over the past years. The pursuit for excellence across the different businesses, products and markets will remain at the heart of the Company's strategy through superior client delivery channels and product evolution, risk and governance stability as well as efficiency in funding and cost structures. The scaling of the business, supported by an expert team of management and staff, will enable the Company to maintain a flexible business model which can adapt to arising circumstances, achieve sustainable profitability and improve overall returns to all key stakeholders.

Sales and selling prices

During the financial year ended 31 December 2019 Cryptology generated revenues of kEUR 14,806 which was a significant increase compared to the financial year ended 31 December 2018 (kEUR 2,572). Revenues have remained stable during the Relevant Period.

Costs

The general admistrative costs for the financial year ended 2019 was EUR 262,000.00 which was significanly reduced from EUR 527,000.00 in the financial year ended 2018. This was mainly due to less costs incurred in professional fees and related costs. During the Relevant Period and going forward, costs are expected to be kept in favorable proportion to the annual revenues.

Production and inventory

Cryptology does not have any inventory and has not engaged in any production activities in the Relevant Period.

4.8. Cryptology's Financing structure

4.8.1. *Significant Changes in the Financing structure*

Until the date of the Prospectus, the Cryptology financed its capital expenditures and working capital requirements through a combination of cash generated from operating activities, loans from its shareholders, third-party financing and leasing arrangements.

The Company has a banking facility of €7 million from Raiffeisenbank Attersee Süd which is primarily utilized to finance fund acquisitions that enhanced Cryptology's investment portfolio.
On 8 May 2020, Baader Bank AG granted the Company a EUR 3 million credit line to finance the ordinary business activities of the Company.

In July 2020, Cryptology received shareholder loans in the aggregate amount of EUR 1.55 million, bearing interest at 5% per annum until 31 December 2020 and 7% per annum from 1 January 2021 onwards. In the same month, Cryptology also received a loan from a third-party creditor in the amount of EUR 3 million, bearing interest at 5% per annum. Up till the Relevant Period, €0.55 million of shareholder loans have been repaid.

Since 31 December 2019, no additional material changes have occurred in Cryptology's borrowing and funding structure, save as explained above.

4.8.2. *Expected financing of Cryptology's activities*

Cryptology expects its business activities to continue being financed by its banking facilities including the EUR 3 million credit line provided by Baader Bank AG and cash and income generated from its asset management activities.

4.9. Working capital statement

In the Company’s opinion, its working capital is sufficient to meet its present requirements over at least the next 12 months from the date of this Prospectus.

5. Risk Factors

*Investing in the shares of Cryptology Asset Group p.l.c. (the **Issuer** or the **Company** and together with its subsidiary, **Cryptology**) involves a high degree of risk. Investors should carefully consider the risks and uncertainties described below, together with all of the other information in this Prospectus, including the Audited Financial Statements and the other financial information included in this Prospectus, before making a decision to invest in the Company's shares. Cryptology believes the factors described below represent the principal risks inherent in investing in the Company's shares, but additional risks and uncertainties that are not presently known or that Cryptology currently believes are not material may also adversely affect its business, results of operations, financial condition and prospects. If any of the risks actually occur, the business, results of operations, financial condition and prospects of Cryptology or the market price of the Company's shares could be materially adversely affected.*

The Company has divided the following risks in several categories and has within each category set out the most material risks first. When assessing the materiality of the risk factors, the Company has taken into account their negative impact on the Company and the Shares and the probability of their occurrence. A statement on this assessment as of the date of this Prospectus based on the relevant risk's potential negative impact on the Company and the Shares and the probability of its occurrence is included towards the end of each risk factor, in the form of statements as to whether the risk has an "adverse effect", a "material adverse effect" or a "highly adverse effect". The attention of potential investors is drawn in particular to the two or more risks within each of the below categories designated as having a "highly adverse effect" since those risks have been assessed as most material by the Company. As both impact and probability were taken into account when determining the potential impact of a given risk, it is possible that a risk with a comparatively higher probability of occurrence, but a comparatively lower impact is considered to have a "material adverse effect" or a "highly adverse effect."

5.1. Risks related to Cryptology's business, market activities and financial position

5.1.1. Cryptology may not be able to continue to implement its market strategy through further acquisitions and investments, which would damage its market position.

The strategy of Cryptology has focused on strengthening and expanding its own portfolio through acquisitions and investments in companies and funds. Cryptology plans to acquire and invest in further companies in the future, particularly with a focus on crypto-assets and blockchain-related business.

In this regard, there is a risk that Cryptology will not be able to continue to implement its current market strategy and expand its market position through further acquisitions, because it fails to identify and invest in the right opportunities or companies, and does not have sufficient resources to grasp these opportunities if and when they arise. Furthermore, planned acquisitions could fail or the target companies could decide to sell to another company. If Cryptology fails to continue implementing its market strategy successfully, this could have a negative impact on the previous market position of Cryptology and could lead to competitors' gaining market share through successful acquisitions. As a result, the intensity of competition would continue to increase, which would have a highly adverse effect on its market position and could result in its competitors winning additional market share, which would, in turn, have a highly adverse effect on the net assets, financial position and results of operations of Cryptology as well, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.1.2. Cryptology depends on its ability to adapt to changing technologies and new trends and to further develop new services. If it fails to introduce attractive new services, it may not remain competitive and could lose market share.

Cryptology depends upon, among other things, its ability to adapt to evolving industry requirements and introduce attractive new services. As the markets in which Cryptology operates are highly competitive and subject to constant technological change, it must be innovative and achieve technological and price advantages to remain competitive. Its success depends on the anticipation of future client needs and the development of related technology at attractive prices, as well as services required and accepted by its clients. A failure by it to predict relevant trends and technological developments or to achieve these technological advances could adversely affect the sales of its services.

Delays in the development of commercially successful services meeting market requirements and expectations for technological innovation could result in a decrease of the Company's market shares and could harm its business, which would have a highly adverse effect on its market position and could result in its competitors winning additional market share, which would, in turn, have a highly adverse effect on the net assets, financial position and results of operations of Cryptology as well, and particularly on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.1.3. If Cryptology fails to keep pace with the evolving technological innovations in its markets, it could have a material adverse effect on its business, financial condition, results of operations, cash flows and prospects.

The market in which Cryptology operates is subject to strong competition and is characterized by rapid change. The market is also highly fragmented. In addition to a few large competitors, the market in USA and Europe includes a large number of competitors. In the Company's view, the intensity of competition will continue to increase. In addition, the concentration process in the market has accelerated in recent years due to takeovers, but also due to the insolvency of potential investment companies of various sizes. If this process continues, the existing price and competitive pressure could intensify further. Further, current and potential competitors of the Company have greater financial, technical or other resources than the Company itself. Therefore, it cannot be ruled out that competitors may react more quickly to new or developing technologies or standards and acquire companies. It is also possible that new competitors may enter the market or new alliances may form between competitors that could gain significant market share in a short period of time. Increased competition could lead to price reductions, reduced margins and a loss of market share.

The above factors could have a material adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.1.4. The Company may not have access to sufficient capital in the future

The Company may, from time to time, require bank credit facilities to refinance indebtedness, current business activities because of decrease in liquidity, and to fund future growth in terms of acquisitions and developments.

There can be no assurance that the Company will have access to sufficient capital on favorable terms, or at all, for future refinancing of its indebtedness or other purposes.

Moreover, borrowings under bank credit facilities may be at variable interest rates, which would render the Company vulnerable to increases in interest rates. The agreements regulating the Company’s bank debt may impose, and are likely to impose, significant operating restrictions and financial covenants on the Company. These restrictions and covenants could limit the Company’s ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit its ability to conduct necessary corporate activities, could have an adverse effect on the Company’s financial position and operational performance, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.1.5. The Company is subject to financing, liquidity and credit risk

Cryptology may not be able to raise the necessary amounts of debt or equity capital at economically acceptable conditions at any time in the future, and debt capital refinancing may fail in whole or in part. This inability may be due to internal influences such as the effective credit rating by the market due to the earnings and financial situation or the ability of management to deal with existing and potential lenders, as well as external influences such as the general interest rate level in the market, the lending policies of banks and other lenders or changes in legal framework conditions.

There is also the risk that the refinancing rate to be paid will develop negatively and that financing expenses will increase due to an increase in interest rates. Cryptology is also subject to the general risk that extensions of existing liabilities, refinancing and acquisition financing will not be achieved, will not be achieved to the desired extent or only at economically unattractive conditions and that loans can be called prematurely and that the related collateral may be seized as a consequence.

If Cryptology does not have the necessary equity in the future, this could weaken or make impossible the financing and growth of Cryptology.

Furthermore, it cannot be completely ruled out that Cryptology will not have to record bad debt that add up to a significant amount.

The occurrence of one or more of these risks could have an adverse effect on Cryptology's net assets, financial position and results of operations.

The Company has a banking facility of €7 million from Raiffeisenbank Attersee Süd which is primarily utilized to finance fund acquisitions that enhanced Cryptology's investment portfolio.
On 8 May 2020, Baader Bank AG granted the Company a EUR 3 million credit line to finance the ordinary business activities of the Company.

Cryptology expects its business activities to be financed by its banking facilities including the EUR 3 million credit line provided by Baader Bank AG and cash and income generated from its asset management activities.

Depending on its liquidity situation, however, the Company may also have to finance some of its investments through short-term bank loans. As of 31 December 2019, such short-term bank liabilities amounted to EUR 2,209,797.00. Due to the short-term nature of this financing, the Company is exposed to the risk of interest rate changes for renewed short-term borrowing, which could lead to a reduction in earnings.

Furthermore, credit institutions may restrict their willingness to grant such short-term financing to the Company, for example, as a result of negative developments on the financial markets, changes in regulations, laws, guidelines and other aspects of banking supervision with regard to lending, an adverse development of the Company or for other reasons.

In addition, it cannot be ruled out that the Company will not extend loans to one of its foreign associated companies. Transfer risks may result in a delay or failure to repay the loan.

The occurrence of any of the risks described above could have an adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on net debt. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.1.6. The Company is subject to currency risks

The Company currently holds interests in various portfolio companies for which it has paid purchase prices in foreign currencies. When valuing these investments for the financial statements of the Company, exchange rate fluctuations may have to be taken into account. The Company also expects purchase prices to be paid in foreign currencies if these investments are sold. As of 31 December 2019, Cryptology held investments with a total book value of around EUR 43.6 million, which were converted from U.S. dollars into euro on the basis of an average euro/USD exchange rate of 1.122701:1. The investments in foreign currency correspond to approximately 54.5 % of the book value of all investments of Cryptology. The exchange rates of the U.S. dollar are subject to constant exchange rate fluctuations. Depending on the timing of the investment and the sale of the same investment, the Company and its affiliates will realize a price gain or loss on this investment in addition to a capital gain or loss.

It cannot be ruled out that an adverse change in the exchange rates could reduce or nullify a gain on the disposal of a foreign currency investment or further increase a loss on disposal.

The above factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on net debt. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.1.7. The future success of the Company depends on qualified employees and management personnel.

The Company is dependent on people in key positions. The members of the Company's management and board of directors have extensive know-how and important personal relationships with investors, credit and other institutions and individuals. The success of the Company therefore largely depends on these people and their departure could influence the general business activities and have a material adverse effect on the net assets, financial position and results of operations of the company and Cryptology.

The economic success of Cryptology to date has been largely based on the skills and special commitment of its employees. The economic success of the company will also depend in the future on the availability of qualified employees. It cannot be ruled out that the Company will not succeed in recruiting and retaining qualified personnel in the future. Should this occur, it would have an adverse effect on the general business activities as well as the net assets, financial position and results of operations of the company and Cryptology as a whole.

There is also the risk that qualified employees who move to a competitor may use the expertise acquired at Cryptology with the competitor.

The loss of qualified employees or difficulties in the search for suitable new or additional qualified employees or management personnel could have an adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on personnel costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2. Risks related to Cryptology's investment portfolio

5.2.1. The Company's success depends upon the economic development of its investments

The Company holds investments in crypto assets and companies with blockchain-related business models and provides strategic advice to such companies. The economic success of Cryptology depends on the price at which Company acquires the investments, the economic development of the companies in which the Company has invested and the sale proceeds that can be achieved upon any sale.

A negative economic development of all, several or individual associated companies can be caused by various external or internal factors over which Company or Cryptology may not be able to exert any influence. These may be general economic developments, developments or influences affecting individual sectors or developments or influences affecting individual or several portfolio companies in particular. The Company also has only limited influence on the price that can be obtained from the sale of an investment in an associated company. In addition to company-specific factors, external circumstances such as general economic developments, industry-specific factors and the state of the financial markets have a considerable impact on pricing. The same applies to pricing for the acquisition of an interest in an associated company.

As a result, the Company’s business activities are subject to general market and economic conditions. These conditions include, inter alia, consumer demand, financial market volatility, inflation, fluctuation in interest rates, exchange rates, direct and indirect taxation, energy and fuel costs, unemployment, wage rates, tightening of credit markets, government spending and budget priorities and other general market and economic conditions.

Concentration risk, which may occur both at the level of the Company as well as the level of Cryptology, may arise because of lack of diversification in business that may lead to excessive exposures or concentration in one counterparty or group of connected counterparties. Furthermore, concentration risk may also arise in terms of geographies, regions, countries, industries, counterparties or for connectivity or inter-relationships that may exist between them.

As Cryptology carries out activities with counterparties in different markets, there are certain risks which are peculiar to such activities and which require careful consideration by prospective investors. Such exposure relates to the risks of major political and economic changes including but not limited to, higher price volatility, the effect of exchange control regulations and the risks of expropriation, nationalization and/or confiscation of assets. The ineffectiveness of the legal and judicial systems in some of the emerging markets, including those in which Cryptology may be carrying out activities, may pose difficulties or Cryptology in preserving its legal rights.

Since the success of Cryptology depends on a good understanding of the markets and countries where it does (or proposes to develop) business, an inability to monitor those countries closely, whether because of lack of reliable market information, an interruption in communication flows, an incapacity to visit those countries regularly, or otherwise, raises the country risk to varying extents.

All these factors could have a highly adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.2. The Company may misjudge both existing and possible future acquisitions of interests in portfolio companies and client bases

The Company has acquired interests in a number of portfolio companies in the past. The market and competitive strategy of the Company will continue to expand through targeted acquisitions of companies or parts of companies, either by the Company itself or through its subsidiaries, in line with the planned expansion of its business activities within and outside Europe. Nevertheless, the acquisition of shareholdings represents a considerable entrepreneurial risk.

In addition, there is a risk that portfolio companies may require more funding than anticipated in order to achieve set goals or successfully introduce new products to market, and that this funding may be unavailable. This could lead to the portfolio company's insolvency, which would entail a loss of the funds already invested in it. Early-stage portfolio companies are generally not expected to pay dividends regularly because any profits earned are likely to be required for the development and expansion of operations.

It cannot be ruled out that risks associated with acquisitions that were not identified, misjudged during the previous audit or not covered by guarantees given by counterparties may arise or materialize at a later date. In such a case, the corresponding warranty period may already have expired or recourse to the seller may not be possible for other reasons. Furthermore, significant employees or key persons of the acquired companies could leave the acquired company as a result of the acquisition by Cryptology, so that due to the loss of these significant employees or key persons, goals that were to be achieved with the acquisition can no longer be achieved. The materialization of one or more such risks could have a highly adverse effect on the net assets, financial position and results of operations of the Company, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.3. Newly acquired companies or parts of companies may not be integrated into Cryptology successfully.

In recent years, Cryptology has strengthened its growth and market position through acquisitions and will continue to focus on expansion through the acquisition of attractive companies or parts of companies. After the acquisition of a company or part of a company, it may become apparent that the competence of the management of the acquired company has been misjudged or the integration into Cryptology is not successful and does not meet the expectations of Cryptology. Cryptology could also misjudge the market position, earnings potential, profitability, client loyalty to the company and the growth opportunities of the company or other significant factors. Such misjudgments may also impair the strategy underlying the related acquisition. In such a case, not only the achievement of the objectives of Cryptology with the acquisition, but also the value of the investment as a whole, would be significantly endangered.

Furthermore, the organizational integration of further companies into Cryptology can be associated with considerable time and financial expenditure. It may also not be possible to achieve the desired synergy effects to the planned extent.

The realization of one or more such integration risks can have a material adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.4. Income may fluctuate due to delays in the sale of an investment or low annual profit distributions by portfolio companies

The income reported in the Audited Financial Statements consists mainly of the annual profit distributions of the portfolio companies. In addition, potential sales of associated companies can have a significant impact on the Company's earnings. Since disposals of investments can make very different contributions to earnings and the timing of the disposals cannot be determined with certainty, Cryptology's income and results can be subject to considerable fluctuations. A slight delay in the sale of an investment may result in the sale and thus its recognition in the Company's financial statements falling into a subsequent accounting period in line with the reporting date principle. Complex transactions, such as the sale of a company or an initial public offering, may not be completed within a specific financial period. Delays may also arise unexpectedly due to changes in the financial market environment or for other reasons.

The Company expects its results to continue to fluctuate strongly, in particular due to the special nature of the business activities of Cryptology. Due to the difficulty of predicting future developments, the level of earnings in the respective financial year is not certain, and can only be foreseen, if at all, for a short period of time. As a result, the Company does not believe that a comparison of the results from period to period should be regarded as an indicator of future results.

In addition to income from the sale of investments, Cryptology also generates significant current income from investments in the form of dividends, profit shares and interest income. If the portfolio companies are not in a position to continue generating earnings due to economic influences or lack of profitability, this would have a correspondingly negative effect on the net assets, financial position and results of operations of the Company and Cryptology as a whole, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.5. Diversification of the investment portfolio can only reduce risks to a limited extent

Diversification of the investment portfolio can only reduce risks that are limited to certain sectors and regions. Economic developments and the development of the financial markets as a whole are increasingly taking place across sectors and regions. The risks from economic influences and the influence of the financial markets on the business success of Cryptology can therefore only be reduced to a limited extent by diversification. It cannot be ruled out that Cryptology's future investments may focus on regions or industries that lead to a concentration of regional or industry risk. It is also possible that investment companies from certain sectors are not available and a diversification of risks is therefore not or only with difficulty possible.

All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.6. In the event of a negative economic or industry environment, or weak financial markets, the sale of an investment may not be possible or only be possible at high price reductions

The economic environment and the state of the capital markets at the time of the sale of a portfolio company have a significant influence both on the possibility of a sale per se and on the achievable price and thus on the achievable return.

The successful sale of an investment is only possible within certain time frames, namely if the targeted increase in value of the portfolio company could be achieved and this coincides with a positive economic environment, a positive sector environment and a favorable state of the capital markets. Still, even if the portfolio companies develop positively, there is the risk that a sale will not result in an appropriate price due to a negative economic, sector or capital market environment. In this case, the Company must either postpone a planned sale to a later date or accept corresponding price reductions.

In the event of a postponement of a planned sale of an investment, the financial and earnings position of the company and Cryptology would be adversely affected in the fiscal year for which the sale was planned but not possible. In the event of a postponement of the sale of an investment, it is also uncertain whether the targeted price can be achieved at a later date.

Cryptology may also decide or be forced to sell the investment at considerable price reductions despite a negative market environment due to a consideration of the opportunities and risks of a prolonged holding of the investment in view of the economic, sector and financial market prospects. An obligation to sell an investment despite a negative environment can arise for various reasons, such as the company's liquidity requirements.

As of 31 December 2019, the Company held minority interests in portfolio companies whose book value amounted to around EUR 22.7 million and thus accounted for 80% of the Company's total portfolio. As a rule, these minority interests can only be sold in consultation or together with the principal shareholder. Therefore, it cannot be ruled out that these investments will not be sold or will not be sold on the scheduled date or at the expected price.

The occurrence of any of the risks described above could have an adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on financial assets and revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.7. Individual portfolio companies may experience negative economic development

For investment companies, the focus is on increasing the value of the portfolio companies by realizing the earnings growth potential available in the respective company. The business concept of the Company aims to support the management in the further development of the respective portfolio company for the duration of an investment. In addition to achieving specific goals of the portfolio company, such as reducing debt, this primarily includes increasing earnings. The realization of the goals depends on a multitude of circumstances. In addition to a favorable economic environment and the favorable development of the respective industry, the successful development of a portfolio company requires that its management be in a position to achieve the planned goals.

The success of Cryptology therefore largely depends on the competence of the management of the portfolio companies. Cryptology may not achieve the expected profit and may even experience a loss if:

- the management of any portfolio company fails to realize the potential of the company;
- company-specific risks, including technological developments of significance for the company, materialize;
- the share price of a listed portfolio company decreases; or
- other circumstances adversely affect the value of the portfolio company.

The change in the value of an investment, regardless of its cause, could also result in the change in value reported in the period results of the Company for the duration of the investment.

If one or more portfolio companies of Cryptology do not develop as planned or negatively, this could have a significant adverse effect on the assets, financial and earnings position of Cryptology.

In the event of a negative development of one or more portfolio companies, the Company or Cryptology may decide or be forced to undertake unplanned additional financing of the portfolio company to limit the loss in value or to prevent a complete loss of the investment. This increases the risk to which Cryptology is exposed in the relevant portfolio company and can have a significantly adverse effect on the return on the capital employed by Cryptology.

If a negative economic environment led to a decline in earnings for the portfolio companies, this would also impair the ability of these portfolio companies to distribute profits to Cryptology or to reduce existing debt as planned. Income from portfolio companies represents a significant component of Cryptology's income. The reduction of existing, in part acquisition-related, debt is often an essential part of the increase in value of the portfolio company. If a portfolio company defaults on reducing its debt, this can also lead to a breach of obligations arising from loan agreements concluded with lenders. In such a case, the lenders may be entitled to terminate the loan agreements and to seize collateral.

A reduction in value or the complete loss of investments, the inability or limited ability to reduce existing debts, or the violation of obligations from loan agreements by a portfolio company could have an adverse effect on the assets, financial and earnings position of the Company and Cryptology, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.8. When acquiring interests in portfolio companies, the Company is dependent on the economic environment

The purchase prices that the Company has to pay for the participation in various portfolio companies are largely determined by the respective economic or financial market environment.

In general economic or industry-specific peak periods, especially in conjunction with a markedly positive mood on the financial markets, there is the risk that investments will be acquired at a price level that hardly permits any further increase in value. Investments acquired in such an environment are subject to the increased risk that, in the event of a future sale, the expected increase in value will not be realized or that the sale proceeds will only be below the purchase price. This would have correspondingly adverse effects on the net assets, financial position and results of operations of Cryptology.

In a weak financial market environment, the possibility for the Company or Cryptology to obtain outside capital (in particular bank financing) in addition to its own funds for the acquisition of investments may be limited, or not possible at all. In this case, the Company has to accept a reduction in the return it was aiming for or forego the acquisition due to a higher use of equity.

All these factors could have an adverse effect on the general course of business and on the net assets, financial position and results of operations of Cryptology, and in particular on net debt. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.9. The Company depends on the availability and access to profitable investments and competes with other financial investors.

An important element for the business activities of Cryptology is the availability of a sufficient number of attractive investment opportunities. Cryptology strives to acquire companies, groups of companies or business units from groups of companies.

The first prerequisite for this is that groups of companies and other majority shareholders are prepared to sell their shareholdings. It is also essential for the Company to become aware of such opportunities, for which the Company primarily uses existing contacts. The Company competes with both strategic investors and financial investors for attractive investments. Due to the increased competition, it is becoming more difficult to find suitable holding companies, since target companies are often already in the hands of other financial investors. This may lead to an intensification of competition in the relevant target market. If the Company has to compete with a competitor for a participation, this may result in its having to pay a higher purchase price for the participation or being unable to acquire the participation at all.

If the offer of attractive investments or the access of the Company to such investments deteriorates or does not develop in the manner expected by the Company, the Company might not have access to such investments. The Company would then have to pay higher purchase prices due to the competition for investments, which could impair the general business activities and future growth of the Company and Cryptology, reduce profitability and thus have an adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on costs of materials. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.2.10. The Company may only become aware of developments and events in the associated companies belatedly

The Company supports the management of the portfolio companies, which it strengthens if necessary with additional external executives. The development of a portfolio company therefore requires, among other things, continuous support of the management of the portfolio company.

Although employees of Cryptology are often represented on the boards of the portfolio companies and even if management reports continuously, the Company cannot rule out that it is only informed about developments and events in the portfolio companies with delay, or incompletely. Due to its external position, the Company will not always and efficiently be able to recognize if it is deliberately misinformed or left unaware of certain events or processes. It may then be prevented from taking the necessary countermeasures on a timely basis, so that the success and value of the investment may be jeopardized.

All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3. Risks relating to the FinTech industry

5.3.1. Cryptocurrencies and blockchain technology are relatively new and their acceptance among users is uncertain

Digital currencies and blockchain technologies involve relatively new technology which has been identified as possibly posing risks in relation to law enforcement and government regulation. It is likely that governments worldwide, including Germany, will continue to explore the benefits, risks, regulations, security and applications of digital currencies and blockchain technology. The introduction of new legislation or regulatory requirements or amendments to existing legislation or regulation, by governments, or the respective interpretation of the legal requirements in any of the legal jurisdictions in which Cryptology or any of its portfolio companies operate, could have an adverse effect on the assets, operations and, ultimately, the financial position and financial performance of Cryptology or those parties.

Cryptocurrencies entail risks for companies and consumers that are not new to the financial market on their own, but can accumulate due to the specific structure of cryptocurrencies, which like cash can be lost or stolen. If the user loses addresses or private keys due to a malfunction of the computer or if these are physically or through attacks from the Internet, the cryptocurrencies, which are still registered in the network, are irretrievably lost for the user who can no longer dispose of them.

There is also a risk that the cost of transactions will increase, which may affect the acceptance of cryptocurrencies. Currently, cryptocurrencies also serve as a cost-effective transaction solution for small amounts in global trade, as usually only low costs are incurred as additional remuneration for miners, who receive new cryptocurrency units via the system and fractions of the transferred cryptocurrencies for successfully solving the tasks with which they simultaneously verify the transactions. As the number of cryptocurrency units generated increases, so does the complexity of the tasks and thus the computing power required to solve them. After or even before the maximum cryptocurrency number is reached, the expenditure of the miner for hardware and electricity without transaction fees could no longer be worthwhile, so that they could charge fees for transactions –

comparable to those of banks. This can lead to users of cryptocurrencies turning to alternative systems, which in turn can have a negative effect on the acceptance of cryptocurrencies.

Another risk of cryptocurrencies is the fluctuation in value. The value of cryptocurrencies is determined by supply and demand as well as acceptance in the economic cycle. Like legal currencies, cryptocurrencies are not covered by a real value. Users who have used the cryptocurrency system from the beginning have a large number of cryptocurrency units that they could sell. Above all, however, the entry of speculators who do not purchase cryptocurrency units as a means of payment can lead to considerable price fluctuations and bubbles – similar to other highly volatile financial instruments. This can result in substantial gains, but also losses.

In addition, there is the abstract danger that the cryptocurrency system corrupts itself from the inside due to conflicts of different client types. The cryptocurrency system as such is not completely inflexible and unchangeable. Ideally, the majority of users decide on the selection of clients and, through their programming, on system adaptations. Still, some users have disproportionately large possibilities of influence due to their outstanding knowledge. This could trigger conflicts regarding the admissibility of changes and adjustments.

Like other innovations, the use of blockchain technology also involves risks. The general conditions are often characterized by a relatively slow processing speed, low processing volumes, a complex technology and strong dependence on the cryptographic methods used. There may also be a developer community involved, which may be difficult or even impossible to hold liable for any damage.

The blockchain technology itself could be subject to technical restructuring and, for example, lead to incompatibilities with existing implementations due to certain further developments. In addition, there is a latent risk from hard forks if, for example, the majority of network nodes support this and thus actually existing agreements in the sense of "code is the law" are called into question. Furthermore, block chains are relatively difficult to scale, especially if the processing speed is to be increased. Blockchains usually have a constantly growing memory requirement over time.

The confirmation of transactions by a blockchain can take a relatively long time and the participants – compared to some established procedures – wait relatively long until transactions have been finally confirmed. Blockchains with a proof-of-work consensus mechanism can also be relatively costly to maintain and resource-intensive to operate.

All these factors could have a highly adverse effect on the net assets, financial position and results of operations of Cryptology, and in particular on revenue and financial assets. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.2. New technologies, including quantum computing, may render the technologies that Cryptology employs obsolete

The technologies surrounding digital currencies and blockchains may be rendered obsolete by new inventions and technologies, which would adversely impact Cryptology. Further, the administrators of the decentralized networks or other users could propose amendments to the protocols and software that, if accepted, could adversely affect Cryptology.

The market for internet-related products is characterized by continued evolution in technology, evolving industry standards, changes in customer needs, heavy competition and frequent new product and services introductions. If Cryptology fails to identify investment opportunities in response to these changes its financial condition and the performance of its investment portfolio may be adversely affected.

Like all cryptographic systems, cryptocurrencies may be vulnerable to quantum computing. Although quantum computers have not been proven to exist at the date of this Prospectus, if they are invented, cryptocurrencies, along with the cryptography used to protect other financial institutions, may be vulnerable and therefore adversely affected unless steps are taken to secure them against such technologies. If quantum computers are developed it is likely that the Company's financial position and financial prospects, in particular its revenue and financial assets, may be highly adversely affected. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.3. There is uncertainty regarding the future of cryptocurrencies

Since digital currency is still a relatively new concept, there is significant uncertainty as to whether any growth in digital currencies will eventuate. If one or more of the digital currency risks eventuated, the market price of digital currencies may fall. If these market prices fall significantly, interest in digital currency and digital currency products may be detrimentally affected. This would adversely affect Cryptology and the value of the Shares.

Cryptocurrencies, and the blockchain on which they are based, are experimental and are, in most cases, actively being developed. Although these become less experimental as usage grows, they are nevertheless new inventions which are attempting to achieve things which have not been done before. As such the future of these technologies is uncertain, and should they not prosper in the manner anticipated, Cryptology's financial position and financial prospects could be materially adversely affected, in particular its revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.4. The Company may be unable to compete in the digital currency and the blockchain industry successfully

There is significant competition in the digital currency industries generally, with new start-ups emerging every day. There is no assurance that Cryptology or any of its portfolio companies will succeed in their respective strategies or that products promoted will ever prove effective or economic. Competitors' products may render the potential digital currency products obsolete or otherwise uncompetitive. There is also no guarantee that Cryptology will ever commercialize or produce any successful products.

Cryptology may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share with price reductions, reduced gross margins and other loss leading steps forcing smaller competitors out of a given market.

All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, in particular its revenue. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.5. Cryptocurrencies are not official currencies and taxation treatment is uncertain

Cryptocurrencies are not official currencies and they are not issued by any nation state. Taxation treatment of cryptocurrencies is unclear; however, it is likely that most jurisdictions will require taxes to be paid in the normal manner. In addition, some reliefs and exemptions from taxation that may otherwise be available were such transactions, payments or holdings in conventional currencies, may be unavailable because of the use of cryptocurrencies. It is also likely that treatment of bitcoin and other cryptocurrencies will be inconsistent within individual jurisdictions as well as between jurisdictions until best practice regarding cryptocurrencies is developed and adopted. As a result, the financial position and financial performance of Cryptology and portfolio companies, in particular their revenue, may be adversely affected by such treatment or inconsistencies, and Cryptology and portfolio companies may have to expend management time and expense in challenging such treatment, particularly where there is an inconsistency between some of the jurisdictions in which Cryptology operates. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.6. Blockchain technology is subject to inherent legal uncertainties

In principle, blockchain implementations work without the borders of nation states. For example, two parties to a transaction may be located in different jurisdictions. Thus, in the case of conflicting legal rules and regulations, it could be unclear which rules and regulations are applicable in case of doubt. In addition, the legal status of blockchain transactions and smart contracts has not yet been settled.

In the European Economic Area, even if blockchain technologies are used, the existing regulatory framework within the competent supervisory authority (in case of Germany, the BaFin) to which the parties involved are subject still applies. Not the blockchain technology itself, but rather its application may be restricted in this respect.

All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.7. Holding virtual currencies entails a wide array of risks and a number of high profile events have caused reputational damage to the industry

There have been a number of high-profile scandals involving cryptocurrencies. In particular, investors holding cryptocurrency have lost assets and money due to their accounts being hacked. Further, the identity of persons trading in and holding cryptocurrency as an alternative to established fiat currencies has been questioned, and bitcoin in particular has been linked with organized crime and in particular money laundering by criminal gangs. Each high-profile scandal involving cryptocurrency has resulted in a fall in the value of the respective cryptocurrency, and a more negative attitude to digital currency generally from individuals and corporates who may adopt cryptocurrency or blockchain related technologies, and investors who may invest in companies operating in these industries. If a high-profile scandal affects cryptocurrency or blockchain service providers it is likely that the resulting backlash will have an adverse effect on the business and operations of Cryptology and may trigger increased regulation of the industries.

The European Banking Authority (EBA) issued a warning on 13. December 2013 on a series of risks deriving from buying, holding or trading virtual currencies such as Bitcoins. The EBA stated that consumers are not protected through regulation when using virtual currencies as a means of payment and may be at risk of losing their money. It also added that there is no guarantee that currency values remain stable.

In particular, consumers should be aware that exchange platforms tend to be unregulated and are not banks that hold their virtual currency as a deposit. Currently, no specific regulatory protections exist in the EU that would protect consumers from financial losses if a platform that exchanges or holds virtual currencies fails or goes out of business.

The EBA added that the ‘digital wallets' containing consumers' virtual currency stored on computers, laptops or smart phones, are not impervious to hackers. Cases have been reported of consumers losing significant amounts of virtual currency, with little prospect of having it returned. Also, when using virtual currency for commercial transactions, consumers are not protected by any refund rights under EU law.

The EBA also indicated that as transactions in virtual currency provide a high degree of anonymity, they may be misused for criminal activities, including money laundering. This misuse could lead law enforcement agencies to close exchange platforms at short notice and prevent consumers from accessing or retrieving any funds that the platforms may be holding for them.

The EBA recommended that, if consumers buy virtual currencies, they should fully understand their specific characteristics and not use funds that they cannot afford to lose.

Virtual currency platforms are generally not regulated. Several trading platforms have already been abandoned or closed for other reasons - in some cases due to hacker attacks. The EBA is aware that consumers have permanently lost substantial amounts of money on these platforms.

Trading platforms are not banks that manage their virtual currency as deposits. If a trading platform loses money or has to cease operations, there is no special legal protection (such as a deposit guarantee scheme) covering the losses of clients from funds held on the trading platform. This also applies if the activities of the trading platform have been approved by the authorities.

Digital wallets, however, are not fully protected against hackers. The money can be stolen from a digital wallet just as it can from a real wallet. Cases have been reported in which consumers have lost over USD 1 million in virtual currency amounts. The prospects of getting this money back are poor.

If the client also loses his key or password for the digital wallet, the virtual credit may be lost forever. There are no central locations that store passwords or issue replacement passwords.

When clients use virtual currencies to pay for goods and services, they are not protected by EU law, for example by a right to a refund as in the case of transfers through a traditional bank or other payment account. Unauthorized or incorrect debits to the digital wallet can therefore generally not be reversed. Furthermore, the acceptance of virtual currencies by retailers is not guaranteed in the long term and is at the discretion of the traders or is dependent on contractual agreements that can be terminated at any time without notice.

Clients must bear in mind that the value of virtual currencies has so far been extremely volatile and can fall and rise just as rapidly. If the popularity of a certain virtual currency decreases, for example if that of another increases, its price can collapse massively and permanently.

This volatility also has an impact when clients want to use virtual currencies as a means of payment: Unlike money that clients deposit into a traditional bank or payment account denominated in a conventional currency, they cannot expect the value of that virtual currency to remain largely stable.

In addition, holding virtual currencies can trigger value added tax or capital gains tax.

Cryptocurrencies also carry the risk of being abused for illegal activities due to the partial anonymity of the transactions. This can lead to police investigations by means of blockchain analyses. The consequences can range from government intervention to the blocking of accounts and confiscation of service providers.

All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.8. Initial coin offerings are regarded by regulators as particularly risky investments

In November 2017, the BaFin issued a warning with regard to the risks of initial coin offerings (**ICOs**) as a highly speculative form of corporate and project financing, drawing the attention of investors to the fact that they could lose all of their capital invested in the acquisition of coins or tokens within the framework of ICOs.

The collective term Initial Coin Offerings includes the creation of crypto tokens on existing or newly created blockchains and the related development of smart contracts and distributed apps, which are stored on existing blockchains to implement agreements in the form of program codes. New digital units (tokens) are generated and sold to investors against virtual or legal currencies. The provider is free to decide which rights he grants to investors through the respective tokens. The project and the functioning of the tokens offered are usually presented in a concept and traditional contractual conditions are less common.

The BaFin decides in individual cases on the basis of the technical and contractual form of an ICO whether the provider needs to obtain a license according to the supervisory laws and has to comply with prospectus obligations.

To date, investors have been advised to check the identity, earnest and creditworthiness of the token provider and to understand and evaluate the investment offered. ICOs are often highly speculative because they are typically conducted at a very early, mostly experimental stage in a company where the business model is still untested. The systemic vulnerability of ICOs to fraud, money laundering and terrorist financing increases the risk of investors to lose their invested capital.

All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.9. Smart contracts are subject to a host of risks which render them speculative

Smart contracts represent another block-chain related business model, enabling users to map contractual logic using computer algorithms. They are programmable contracts that are defined by the program code and can then be automatically executed and enforced on block chains. At certain points in time, smart contracts automatically check previously defined conditions. This means that users can automatically determine, for example, whether a transaction has been executed or reversed.

Smart contracts make it possible to enforce contracts directly. The aim is to reduce transaction costs and increase contractual security. Only the programmed code of a smart contract has contractual effect. Smart contracts represent a control or business rule within the technical protocol. For example, in a car leased under a smart contract, the engine could only start when the leasing rate payment has been received. A query of the blockchain would suffice for this. Smart contracts allow a high degree of independence, as the parties to an agreement do not have to rely on an intermediary.

Risks of smart contracts arise in particular from the absence of a central authority that could take corrective action in case of misconduct. In addition, legal risks can also arise from smart contracts. It is currently unclear whether courts would recognize decisions taken by the program code as binding. It is also questionable overall whether market participants will accept such a procedure or whether courts should not be able to intervene in illegitimate or inefficient decisions. In addition, the question arises as to what extent the contractual conditions laid down in the program code are understandable for consumers or private investors.

All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.3.10. Information technology risk may arise from inadequate information technology systems and processes, or inappropriate strategy and policy

Cryptology is subject to various forms of threats (internal and external) that could impact any or all of its information technology (***IT***) systems and operations resulting in the leaking of confidential or sensitive data and information.

Cryptology relies on complex IT systems and networks, which may be vulnerable to damage, interruptions or cyber-attacks as a result of increased hacker activity or fraud.

Cryptology relies heavily on IT systems and networks to manage its operations and business processes. These systems and networks are potentially vulnerable to damage or interruption from a variety of sources or to security threats. Recent events have shown that cyber-attacks, in particular, have increased in the past years as a result of increased hacker activity and caused material damage to companies and their clients by stealing sensitive data on the companies' clients or causing work interruptions for lengthy periods at time.

Although Cryptology has taken precautions to manage its risks related to system and network disruptions, an extended outage in a data center or telecommunications network utilized by its systems, any security breaches or any similar events could lead to an extended unanticipated interruption of its systems or networks, thereby hindering its normal business operations. Such events could also lead to loss of clients' data and know-how, which could adversely affect Cryptology's business and reputation. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.4. Legal and Regulatory risks

5.4.1. Due to its international activities, Cryptology is subject to economic, legal, tax and regulatory risks in numerous countries and jurisdictions

Cryptology's business activities are aimed at many different geographical markets with different legal systems, from which a number of risks arise. These include above all the requirements of the general economic, labor, legal, tax and regulatory conditions prevailing in the individual countries and their unexpected short-term changes. The Company holds a number of foreign shareholdings. Therefore, it cannot be ruled out that Cryptology may in individual cases violate certain of these regulations in the various countries or that, as a result of such violation, administrative measures may be taken by the relevant authorities in these countries, e.g. in the form of fines or imposed on Cryptology.

In order for the portfolio companies to market their products and services in the various countries successfully, Cryptology depends on a correct assessment of the respective economic, legal, tax and regulatory framework conditions for the sale of its products and services in these countries. Misjudgments could lead to products or services not being accepted in certain markets or by certain target groups and to specifications not meeting the requirements of the target markets.

Furthermore, there is an increased risk that changes in political conditions abroad could change the general conditions for the associated companies domiciled there. In addition, interventions by the authorities or bureaucratic burdens can influence the profitability of the associated companies. It is also possible that sectors abroad in which the Company holding companies are active may be nationalized. Such a negative development of a foreign investment would directly affect the Company on the one hand through a loss in value of the investment held directly by it, but also indirectly through a loss in value of the respective foreign investment through which the Company invests in the portfolio company.

International growth and expansion into emerging markets can entail risks not commonly encountered in developed countries. Various factors may adversely influence the planned growth and result in higher-than-expected costs for the expansion. These factors include:

- underdeveloped or unstable political, legal and regulatory regimes;
- inconsistent enforcement of laws and regulations or economic instability;
- a higher risk of conflict;
- limited or insufficient infrastructure;
- difficulties in deepening existing and developing additional client relationships;
- difficulties in finding reliable local suppliers and partners;
- difficulties in recruiting and then retaining a sufficient number of new skilled staff and finding a certain amount of employees who are prepared to move abroad;
- difficulties in process handling;
- difficulties in prevailing over local competition and in acquiring sufficient businesses;
- difficulties with labor relations or compliance issues; and
- the imposition of any import, investment or currency restrictions, such as tariffs and import quotas on the repatriation of earnings and capital.

Moreover, the continued growth and increasing globalization of the Company may become increasingly difficult to manage successfully, for example, because of the increasing decentralization of activities and management functions.

All these factors could have a highly adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.4.2. Cryptology's compliance and risk management systems may not be sufficient to prevent or detect violations of legal regulations and to identify, evaluate and take appropriate countermeasures against all relevant risks for Cryptology

In the course of its business activities, Cryptology must comply with various legal regulations in a large number of countries. These include provisions on liability law, occupational safety and health law, tax law, competition and antitrust law as well as data protection law. This also includes provisions on inadmissibility of acceptance or granting of services in the context of business initiations or other unfair commercial practices.

It cannot be ruled out that the compliance system in place within Cryptology may prove to be inadequate or that employees of Cryptology, regardless of existing legal regulations, internal guidelines or organizational guidelines on compliance and despite appropriate training measures and reviews, may violate applicable laws or that such actions may not be uncovered. A violation of laws or regulations can lead to legal consequences, such as fines and penalties for Cryptology or its board members or employees, additional tax payments or third-party claims for damages against Cryptology. In addition, the reputation of Cryptology may suffer in the event of the publication of detected infringements.

All these factors could have a highly adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.4.3. The Company's business operations would be limited if the Company became subject to the requirements of the U.S. Investment Company Act of 1940

The U.S. Investment Company Act of 1940 (the ***Investment Company Act***) defines an "investment company" as an issuer that is engaged in the business of investing, reinvesting, owning, holding or trading in securities and owns investment securities having a value exceeding 40% of the issuer's unconsolidated assets, excluding cash items and securities issued by the U.S. government. A violation of the Investment Company Act has significant consequences. For example, the Investment Company Act provides that a contract made, or whose performance involves, a violation of the Investment Company Act is unenforceable by either party. If the Company became subject to the Investment Company Act, its ability to continue pursuing its business plan would be limited, which would lead to a substantial loss on an investment in the Shares and could depress the price at which the Shares can be traded. All these factors could have a highly adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.4.4. The Company's Shares may be characterized as stock in a "passive foreign investment company" for U.S. federal income tax purposes, which could have materially adverse tax consequences to investors subject to U.S. taxation.

The Company may be classified as a passive foreign investment company (a PFIC). If the Company is a PFIC for any taxable year during which persons subject to U.S. taxation own Shares, such persons may be subject to materially adverse tax consequences. Prospective purchasers of Shares are urged to consult their own tax advisers about the consequences of holding Shares if the Company is considered a PFIC in any taxable year. All these factors could have a material adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.4.5. The Company may incur significant costs defending lawsuits

The Company is susceptible to legal claims, with or without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Company's future cash flow, results of operations or financial condition, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.4.6. The Company may be held liable on the basis of warranty and indemnity agreements entered into in connection with the sale of investments

In the context of the sale of participations, the Company as seller may have to give far-reaching guarantees with regard to the portfolio company and possibly an exemption for taxes to be paid subsequently for the time of its participation in favor of the buyer. In addition, the Company may also be required to provide indemnities for certain company-specific risks. The Company endeavors to limit the liability arising from such warranties and indemnities to a certain percentage of the purchase price, but this limitation cannot be enforced in individual cases. In the period of sale, the Company may reduce the gain on disposal in accordance with its assessment of the amount of the financial risk and the probability of a warranty or indemnity liability being invoked.

Tax exemptions can usually not be limited in time or amount, but the Company believes that the portfolio companies generally meet their tax obligations and that risks arising from tax exemptions are of secondary importance. Still, the Company cannot exclude the possibility that in individual cases a tax exemption may lead to a significantly increased risk and that in individual cases it may not be in a position to agree on a limitation of liability.

Should the liability from warranties, tax exemptions or other exemptions materialize and exceed the amounts already taken into account, this could have an adverse effect on the assets, financial and earnings position of the Company and Cryptology, in particular on costs, even if the liability is limited in amount. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.4.7. Competition laws may expose Cryptology to a liability risk and limit its ability to complete acquisitions to grow its business in certain markets.

While the Company actively monitors its compliance with applicable competition laws, any events or instances of non-compliance that come to the attention of relevant competition authorities may result in subsequent investigations, which may, in turn, result in the imposition of fines and other sanctions against Cryptology, its management or employees, or otherwise expose Cryptology to financial liabilities. Any such liabilities may be significant and could have a materially adverse effect on Cryptology's business and reputation. Applicable competition laws may also limit Cryptology's ability to take advantage of acquisition opportunities in markets where it may enjoy a dominant position. It may be prevented by the relevant competition authorities from completing acquisitions in certain markets and may incur significant costs related to the review or investigation of any such acquisition by such authorities. Any limitation on its ability to complete acquisitions to grow its business could have an adverse effect on Cryptology's business, financial condition, results of operations, cash flows and prospects, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.4.8. The Company is subject to significant regulation regarding the use of personal client data.

Cryptology's process personal client data (including but not limited to name, address and bank details) as part of its business, some of which may be sensitive personal data, and therefore must comply with strict data protection and privacy laws and regulations. Such laws restrict Cryptology's ability to collect and use personal information relating to clients and potential clients including the use of that information for marketing purposes.

The Company is also at risk from cyber-crime. Notwithstanding Cryptology's efforts to ensure compliance with the relevant data protection regulations and protection from cyber-crime, Cryptology is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection and privacy laws and regulations. If Cryptology or any of the third-party service providers on which it relies fails to store or transmit client information in a secure manner, or if any loss of personal data were otherwise to occur, Cryptology could be subject to investigative or enforcement action by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations. Cryptology could also be targeted by other forms of fraudulent activity.

Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the **GDPR**) took effect on 25 May 2018. The GDPR introduced substantial changes to data protection law, including an increased emphasis on businesses being able to demonstrate compliance with their data protection obligations. In addition, relevant supervisory authorities are given the power to impose fines of up to 4 per cent of an undertaking's annual global group turnover or €20 million (whichever is the greater) for failure to comply with provisions of the GDPR.

Any of these factors could also result in the loss of the goodwill of its clients and deter new clients which could have an adverse effect on Cryptology's business, financial condition, results of operation and prospects, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.5. Risks related to the Shares, the Offering and the shareholder structure

5.5.1. The Company's share price and trading volume of its shares could fluctuate significantly, and investors could lose all or part of their investment

Following the listing of the Shares and any future offerings, the trading volume and share price of the Company's shares may fluctuate significantly. There is no guarantee that active trading of the shares will develop on the Düsseldorf Stock Exchange or that sufficient liquidity will be available. The Company's share price will be affected primarily by the supply and demand for its shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Company's control. These factors include, among others, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, the absence of analyst coverage on the Company's shares, changes in trading volumes in the Company's shares, changes in macroeconomic conditions, including fluctuations in foreign currencies, the activities of competitors and suppliers, changes in the market valuations of similar companies, changes in investor and analyst perception of the Company or its industry, changes in the statutory framework in which it operates and other factors. All these factors could have a highly adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. If the Company's share price or the trading volume in its shares declines as a result of the realization of any or all of these events, investors could lose part or all of their investment in the Shares.

5.5.2. The Company depends on its major shareholder, whose interests may not always be aligned with those of other shareholders

The Issuer's major shareholder is Apeiron Investment Group Ltd, which, based on information available to the Company, holds around 49.56% of the Company's shares as of the date of this Prospectus.

The major shareholder will accordingly be in a position to influence the adoption of resolutions at the general shareholders' meetings, particularly resolutions relating to the appropriation of profits, the implementation of the Company's dividend policy, its leverage ratio, and composition of the board of directors, as well as any proposed capital increases and the Company's business and affairs generally.

Conflicts of interest may arise between the major shareholder and the other shareholders regarding the exercise of voting rights at the Company's general shareholders' meetings, in which the major shareholder would generally be in a position to assert its interests against the will of the other shareholders. For example, it could be difficult for the Company to raise new capital if the major shareholder does not participate in a future capital increase. Even if the major shareholder does not in fact use its stake to influence Cryptology, the possibility of exercising such influence could have a highly adverse effect on the Company's business, financial condition, results of operations and prospects, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

Moreover, the major shareholder's interests may not always be aligned with those of other stockholders or the Company itself, and such shareholder will have control or significant influence over material matters affecting the Company.

5.5.3. Future sales by the Company's shareholders, or the perception that such sales occur, could depress the price of the Company's shares

Sales of a substantial number of the Company's shares in the public market following the listing in the primary market segment of the Company's shares, or the perception that such sales might occur, could depress the market price of the Company's shares and could impair the Company's ability to raise capital through the sale of additional equity securities. If this happens, or if one or more of the Company's shareholders effect a sale or sales of a substantial number of the Company's shares, or if the market believes that such sales might take place, this could have a material adverse effect on the share price of the Company's shares. This could accordingly cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.5.4. Future offerings of debt or equity securities by the Company may adversely affect the market price of the Company's shares, and future capital measures could lead to a significant dilution of existing shareholdings in the Company

The Company may require further capital in the future to finance its business operations and planned growth or to fulfil regulatory requirements. Therefore, the Company may seek to raise capital through offerings of debt securities (possibly including convertible debt securities) or additional equity securities. An issuance of additional equity securities or securities with a right to convert into equity, such as convertible bonds or warrant bonds could adversely affect the market price of the Company's shares and would dilute the economic and voting interests of existing shareholders if made without granting subscription rights to existing shareholders. Even if existing shareholders were granted subscription rights, investors in certain jurisdictions (particularly in the U.S.) may not be able to acquire or exercise any subscription rights due to local laws.

Because the timing and nature of any future offering would depend on market conditions, it is not possible to predict or estimate the amount, timing or nature of future offerings. In addition, the acquisition of other companies or investments in companies in exchange for newly issued shares of the Company, as well as the exercise of stock options by Cryptology's employees in the context of future stock option programs or the issuance of shares to employees in the context of such programs, could lead to a dilution of the economic and voting interests of existing shareholders. Furthermore, a proposal to the general shareholders' meeting to take any of the above mentioned measures, with dilutive effects on the existing shareholdings, or any other announcement thereof, could adversely affect the market price of the Company's shares. This could accordingly cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.5.5. The Company will face additional administrative requirements and incur higher on-going costs as a result of the listing

After the listing in the primary market segment, the Company will be subject to additional certain legal requirements for German stock corporations listed on the primary market segment (*Primärmarkt*). There is no guarantee that the Company's administrative functions will be capable of responding to these additional requirements without difficulties and inefficiencies that cause it to incur significant additional expenditures or expose it to civil costs or penalties. Furthermore, the preparation, convening and conducting general shareholders' meetings and regular communications with shareholders and potential investors will entail greater expenses and risks. The Company's management will need to devote time to these additional requirements that it could have otherwise devoted to other aspects of managing the operations of Cryptology, and these additional requirements could also entail substantially increased time commitments and costs for administrative functions. The inability of the Company's management to handle the additional demands placed on it by becoming a company with listed shares in the primary market segment, as well as any costs resulting therefrom, could have an adverse effect on the Company's business, financial condition, results of operations and prospects, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.5.6. Shareholders of the Company in jurisdictions outside Malta may not be able to participate in future issues of Company's shares unless the Company decides to take additional steps to comply with applicable local laws and regulations of such jurisdictions

In the case of certain increases in the Company's issued share capital, the Company's existing shareholders are generally entitled to subscribe to the newly issued shares issued unless such subscription rights are specifically excluded. Shareholders outside Malta may not be able to exercise their subscription rights unless the Company decides to comply with applicable local laws and regulations. The Company cannot assure any shareholders outside Malta that steps will be taken to enable them to exercise their subscription rights, or to permit them to receive any proceeds or other amounts relating to their subscription rights. All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

5.5.7. The Company's ability to pay dividends depends, among other things, on its results of operations, financial investment needs, the availability of distributable reserves and overall financial position

The Company's general shareholders' meeting will decide matters relating to the payment of future dividends. These decisions will be based on the particular situation of the Company at the time. The Company's ability to pay dividends depends upon, among other things, its results of operations, financing and investment requirements, as well as the availability of distributable profit. Certain reserves must be established by law and must be deducted when calculating the distributable profit. In addition, Cryptology's future debt financing arrangements may contain covenants which impose restrictions on Cryptology's business and future debt financing arrangements may also contain covenants which limit the Company's ability to pay dividends under certain circumstances. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends. Given that the Company's shares are, and any dividends to be paid in respect of them will be, denominated in euro, an investment in the Company's shares by an investor whose principal currency is not the euro in addition exposes the investor to foreign currency exchange rate risk. All these factors could have an adverse effect on the net assets, financial position and results of operations of Cryptology, in particular on costs. This could also cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

6. Reasons for the Offering and Use of Proceeds

6.1. Reasons for the Offering, Proceeds and Costs of the Offering and Use of Proceeds

6.1.1. Reasons for the Offering

The Shares will be included to trading on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*) to achieve better access to the capital markets, to increase its own visibility, enhance its external profile and improve its brand recognition. Further, the Company assumes that the listing will improve its access to capital markets and diversify its shareholder base, all of which will allow it to grow as a business.

6.1.2. Proceeds and Costs of the Offering

The Company will generate any net proceeds from the offering, which will depend on the amount of Shares that are sold and the price at which they are sold.

The total costs of the listing of the Shares amount to approximately EUR 15 thousand, excluding costs of legal and accounting advisors, and are borne by the Company.

6.1.3. Use of the Issue Proceeds

As an asset manager, the Company consistently seeks to invest in attractive portfolio companies. The Company must be in a position to deploy available funds as soon as an appropriate acquisition opportunity is presented. As a result, any net proceeds received from the offering will be used for general corporate purposes, and in particular the acquisition of interests in appropriate portfolio companies.

6.2. Interests of Persons participating in the Offering and the listing of the Shares

There are no conflicts of interest that are material to the offering.

Small & Mid Cap Investmentbank AG is acting for the Company in connection with the Inclusion. Upon successful implementation of the Inclusion, Small & Mid Cap Investmentbank AG will receive a commission. As a result of these contractual relationships, Small & Mid Cap Investmentbank AG may have a financial interest in the success of the Inclusion.

7. Information on the Shares

7.1. General Information on the Shares

7.1.1. Type, class and form

All shares of the Company are ordinary shares with each such having a nominal value of EUR 1.00 each of the Company's issued share capital (all shares of the Company outstanding from time to time, together the ***Shares*** and each share a ***Share***). All Shares are denominated in Euro and have been issued in accordance with the provisions of the Companies Act.

7.1.2. ISIN, WKN and Ticker symbol

International Securities Identification Number (ISIN)	MT0001770107
German Securities Code (*Wertpapier-Kennnummer*) (WKN)	A2JDEW
Ticker Symbol	4UD

7.1.3. Form and Representation of Shares

As of the date of this Prospectus, all of the Company's shares are ordinary shares with each share representing a nominal share value of EUR 1.00 each of the Company's share capital.

The Issuer will not issue share certificates representing the fully paid Shares. The Shares will be denominated in Euro and represented in uncertificated form by the appropriate entry in the electronic register of the Issuer's members maintained on behalf of the Issuer at the Company's registered address at Block A, Apartment 12, Il-Piazzetta, Tower Road, Sliema, SLM 1605, Malta. They will be entered into such electronic register the names and addresses of the holders of the Shares and the number of Shares held by them.

Any shareholder in whose name the Shares are registered may (to the fullest extent permitted by the applicable laws) be deemed and treated at all times and for all purposes as the owner of the Shares. Title to the Shares is transferred in accordance with the provisions of Section 30 to 40 of the Articles of Association.

The Malta Stock Exchange acts as Central Securities Depository (CSD) for the Shares of the Company. The Shares are certificated in several global certificates and deposited with the Malta Stock Exchange, Valletta, Malta.

The Shares of the Company are freely transferable in accordance with the law. Each share of the Company carries one vote. There are no different voting rights in the Company. The Shares of the Company are currently only included in the open market of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*) and are not admitted to trading on the regulated market of any stock exchange. The application for Inclusion will be made with the approval of the Company by Small & Mid Cap Investmentbank AG and has also been made against the background of using the capital markets in the future as a source of financing as part of the growth strategy. Therefore, in connection with the listing, the focus will be on the development of investor relations measures to increase the capital market attractiveness of Cryptology.

7.2. Information about the Offeror

The Shares will be offered by the Issuer by way of advertising measures in conjunction with the Inclusion. Small & Mid Cap Investmentbank AG is acting for the Company in connection with the application for the Inclusion.

7.3. Voting Rights

Each Share carries one vote at the general shareholders' meeting of the Company. There are no restrictions regarding the voting rights other than the restrictions provided by law in certain cases and there are no different classes of voting rights.

7.3.1. Dividend Rights, Right to share in the Liquidation Proceeds and Subscription Rights

The Company's shares carry full dividend rights as of 1 January 2020. In the event of the Company's liquidation, any proceeds remaining after satisfaction of all liabilities of the Company will be distributed to the holders of the Company's shares in proportion to their interest in the Company's share capital.

In accordance with the Companies Act, the authority to declare dividends lies with the Issuer's shareholders in the general meeting. However, in terms of the Company's memorandum and Articles of Association, no dividend may exceed the amount recommended by the Directors. As stated in section 10.3, the Issuer's policy on dividend distributions has been one aimed at balancing payouts from cash profits with prudent retentions. It is also guided by the observance of provisions and covenants in loan agreements which invariably require any proposed payment or distribution to be made out of net income of the current financial year, excluding any amount resulting from the revaluation of any of the Issuer's assets, while ensuring that no event of default or potential event of default has occurred or is then continuing. The dividend policy is also influenced by the impact of revised MFSA Banking Rule 09, which requires the build-up of a reserve for general banking risks calculated as a percentage of non-performing facilities. This reserve is required to be funded from planned dividends and may consequently affect the level of future distributions.

Subject to the above, the Company's board of directors (**Board of Directors**) has the authority to pay the holder of shares such interim dividends as appear to the Board of Directors to be justified by the Issuer's profits.

7.4. Transferability

The Company's shares are freely transferable in accordance with the applicable laws, subject to any pledge (duly constituted) in respect of Shares, there are no prohibitions on disposals or restrictions with respect to the transferability of the Shares.

7.5. Takeover and Squeeze-out

7.5.1. Information on Takeovers

The Shares of the Company will be included to trading on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*). Therefore, the Company is not subject to the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz - WpÜG*) or any local law related to takeovers in the Republic of Malta.

Further, no public takeover bids by third parties in respect of the Company's equity have occurred so far.

7.5.2. Exclusion of Minority Shareholders

Minority shareholders have no particular rights or obligations under applicable Maltese laws in case of mandatory takeover bid, and/or squeeze-out or sell-out rules in relation to the Shares.

7.5.3. Notification and Reporting Obligations regarding Shares held in the Company

The Shares of the Company will be included to trading on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*). The Company is therefore not subject to the provisions on notification obligations pursuant to the German Securities Trading Act (*Wertpapierhandelsgesetz*) and the WpÜG or any comparable Maltese law.

7.6. Warning on Tax Consequences

The tax legislation of an investor's Member State and of the issuer's country of incorporation may have an impact on the income received from the securities.
It is therefore recommended that investors consult their own tax advisors regarding the tax implications of acquiring, holding or transferring Shares of the Company. Only qualified tax advisors are in a position to adequately consider the particular tax situation of individual investors.

8. The Offering

8.1. Subject Matter of the Offering

This Prospectus relates to the offering (the **Offering**), in the Federal Republic of Germany of a total of 19,925 ordinary shares of the Company with each such share having a nominal value of EUR 1.00 in the share capital of the Company and with full dividend rights as of 1 January 2020. In conjunction with the Inclusion, the Company intends to undertake specific advertising measures for the Shares through the Offering, primarily to increase the Company's level of awareness in investor circles and to position itself in the capital markets.

The Shares are not the subject of an application for admission to trading on a regulated market, nor are the Shares currently intended to be sold on other equivalent markets.

The Inclusion will constitute, in connection with advertising measures of the Company in respect of the Shares it holds, a public offer of the Company within the meaning of Article 2(d) of the Prospectus Regulation.

After publication of the Prospectus, the Company intends to draw the attention of the general public within the scope of the German Securities Prospectus Act to the Inclusion, in particular by publishing regular corporate news, in order to become known on the capital markets and at the same time to enable an unspecified number of investors to decide on the purchase of the shares of the Company.

8.2. Offer Price and Other Offering Conditions

8.2.1. Offer Price

The offer price, for the Shares corresponds to the respective stock exchange price and is based on the supply and demand of the buy and sell orders processed on the stock exchange. It is determined by the specialist responsible for price determination in accordance with the rules and regulations of the stock exchange with the aim of achieving the best possible balance between buy and sell orders.

8.2.2. Changes of the Terms of the Offering

The Company reserves the right to increase or decrease the total number of Shares to be offered through advertising measures in conjunction with the Inclusion.

Any such change will be announced on the website of the Company (www.cryptology-ag.com) and be published by means of electronic media (such as Reuters or Bloomberg). To the extent required under the Prospectus Regulation, a supplement to the Prospectus will be submitted to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) and published after being approved by the BaFin on the website of the Company (www.cryptology-ag.com).

Any changes to the Offering will also be published by way of a public disclosure announcement, if required under Article 17 of the Market Abuse Regulation. Investors will not be notified individually. Changes to the Offering will not invalidate purchase orders which have already been submitted, if any. Pursuant to Article 23 of the Prospectus Regulation, investors who have submitted a purchase order before a supplement is published are granted a period of two working days from publication of the supplement to withdraw their orders, provided that the significant new factor, the material mistake or the material inaccuracy that makes a supplement necessary occurred prior to the final expiration of the Offering.

8.2.3. Offering Conditions

The Offering by way of advertising measures will tentatively begin at 10 a.m. on 20 October 2020, the first day of trading of the Shares on the *Primärmarkt* of the Düsseldorf Stock Exchange and end at 4 p.m. on the same day. The Offering will be irrevocable and the purchase of the Shares will follow the applicable general terms and conditions of the open market of the Düsseldorf Stock Exchange.

Potential investors may submit purchase orders through any bank admitted at the Düsseldorf Stock Exchange and may purchase Shares in denominations of one share or any multiple thereof. Potential investors may then purchase Shares in line with the applicable general terms and conditions of the open market of the Düsseldorf Stock Exchange. No minimum or maximum purchase amount is envisaged.

Delivery of the Shares in exchange for payment of the purchase price will be made into the respective investors' deposit accounts through any bank admitted at the Düsseldorf Stock Exchange in accordance with the bank's terms and conditions, and in line with the applicable general terms and conditions of the open market of the Düsseldorf Stock Exchange.

There will be no subscriptions of newly issued Shares under the auspices of this Offering. The possibility to revise or withdraw purchase orders depends on the terms and conditions of each bank through which potential investors make purchase orders. The same applies to notices as to whether or not a given purchase order has been executed.

No pre-emption rights apply in the context of the sale of the Shares. Unexecuted purchase orders will expire in line with the terms and conditions potential investors have agreed to with their respective banks. The Shares will be offered to all potential investors without any preference. No distinction will be made among different categories of potential investors. There will be no splitting of the Offering into tranches earmarked for categories of investors such as institutional investors, retail investors or employees of the Company. There will also be no preferential treatment of individual potential investors. The Company will make no minimum allocations because the execution of purchase offers, and accordingly the allocation of shares, will be implemented by the Düsseldorf Stock Exchange specialist tasked with determining the relevant purchase price. There will be no over-allotment option.
Each potential investor may submit multiple purchase orders simultaneously.

8.3. Stock Exchange Inclusion and Commencement of Trading

The Company's 2,732,500 Shares will be included to trading on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*).

8.4. Expected Timetable for the Offering

The anticipated timetable for the Offering is as follows:

13 October 2020	Approval of the Prospectus by BaFin
13 October 2020	Publication of the Prospectus on the Company's website (www.cryptology-ag.com);
tentatively 20 October 2020	Inclusion of the Shares to trading on the primary market segment (*Primärmarkt*) of the Düsseldorf Stock Exchange

This Prospectus and any supplements will be published on the Company's website at www.cryptology-ag.com.

9. Board of Directors and Management

9.1. Board of Directors

9.1.1. General information about the Board of Directors of Cryptology Asset Group p.l.c.

The Company is currently managed by a Board of Directors consisting of two members who are entrusted with the overall direction, administration and management of the Company. The administration and management of the Issuer is vested in a Board of Directors consisting of not less than two and not more than five directors, all of which must be individuals elected in accordance with Section 9 of the Articles of Association of the Company.

An election of directors pursuant to Section 110 of the Articles of Association takes place at every annual general meeting unless circumstances require otherwise. The directors of the Company are elected on an individual basis by ordinary resolution of the Company in general meeting. The said ordinary resolution is be determined and decided by means of a poll.

The directors hold office from the close of the general meeting at which they are appointed until the end of the annual general meeting after their appointment. Any directors howsoever appointed in the interim, whether to fill a vacancy or otherwise, hold office for the remainder of the term of the Board to which they are appointed and will retire together with the other serving directors.

The Company, may by ordinary resolution, remove a director before the expiration of his term of office. The maximum aggregate emoluments of all directors in any one financial year, as well as any increase of such emoluments, will be such amount as may from time to time be determined by the Company in a general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments isproposed, must contain a reference to such fact.

A director must not be required to have a shareholding qualification, but this notwithstanding, a director who is not a member will be entitled to attend and speak at general meetings of the Company.

9.1.2. Current members of the Board of Directors of Cryptology Asset Group p.l.c.

The Board of Directors of the Company currently consists of two members:

Mr. Jefim Gewiet (Chief Executive Officer - CEO)
In addition to his role as the Company's CEO, Mr. Gewiet holds further management board positions in companies active in the financial industry. He has gained experience in the areas of investment banking as well as stock analysis, as well as regulatory experience having worked with the BaFin for a number of years.

Dr. jur. Jörg Werner (Non-executive board member)
Dr. Werner is a German attorney solely practising under the umbrella of the Maltese law firm DWP – Dr. Werner & Partner, which focuses on international commercial and corporate law and also acts as a company service provider in Malta. Dr Werner is admitted as an attorney with the Bar Association of Sachsen-Anhalt in Germany and the Chamber of Advocates in Malta.

The Legal and Judicial Representation of the Company is only vested in Mr. Jefim Gewiet as per the memorandum and Articles of Association.

The members of the Board of Directors can be contacted under the business address of the Company at Block A, Apartment 12, II-Piazzetta, Tower Road, Sliema, SLM 1605, Malta.

The Secretary of the Company is **Dr. Michael Calleja**.

9.1.3. Shareholdings of the Board of Directors

As of the date of the Prospectus, the Company has no knowledge of the members of the Board of Directors and their respective related parties holding any Shares in the Company.

9.1.4. Remuneration of the members of the Board of Directors

In terms of Section 124 of the Articles of Association of the Company, the aggregate emoluments of all directors in any one financial year, and any increases thereto, will be such amount as may from time to time be determined by the Company in a general meeting,

In the fiscal year ended 31 December 2019, the total remuneration of the Board of Directors (including fixed and variable components as well as benefits in kind) amounted to zero, compared to EUR 60,000.00 in a director's salary as full-time employee recharged from the Company's subsidiary in the fiscal year ended 31 December 2018. The Board of Directors received director fees in an aggregate amount of EUR 18,000.00 in each of the two fiscal years. No additional remuneration was paid by the Company's subsidiary during the fiscal years ended 31 December 2019 and 31 December 2018. At the most recently held annual general meeting, it was resolved to pay EUR 60,000.00 as Director's remuneration for financial year 2020. The director fee for 2020 was reduced to EUR 12,000.00.

9.2. Advisory Board

9.2.1. General information about the Advisory Board of Cryptology Asset Group p.l.c.

The Company's advisory board (**Advisory Board**) consists of three members.

9.2.2. Current members of the Advisory Board of Cryptology Asset Group p.l.c.

The Advisory Board of Cryptology Asset Group p.l.c. consists of the following three members:

Christian Angermayer

Mr Angermayer is one of the most active investors in the European fintech industry, with a particular focus on cryptology and blockchain based business models. He also acts as the Young Global Leader of the World Economic Forum, member of the Presidential Advisory Council of Rwandan President Paul Kagame and member of the Milken Institute Young Leaders Circle.

Michael Edward Novogratz

Mr Novogratz has held various senior management positionen at financial industry companies, including as former principal of Fortress Investment Group LLC, one of the world's leading asset managers with assets under management of USD 72 billion, as former CEO of Fortress Macro Fund and former partner of Goldman Sachs. His company, Galaxy Digital, is one of the leading institutional investors in the area of cryptology and blockchain.

Joram Voelklein

Mr Voelklein is an investment banker and expert for blockchain based business models, and holds advisory board positions at XPAY Group and KochBank, a brand of flatex AG.

All members of the Advisory Board may be reached at the business address of the Company at Block A, Apartment 12, II-Piazzetta, Tower Road, Sliema, SLM 1605, Malta.

9.2.3. Shareholdings of the Advisory Board Members

As of the date of the Prospectus, based on information available to the Company, 49.56% of its Shares are held by Apeiron Investment Group Ltd, which is beneficially owned by the Advisory Board member Christian Angermayer.

9.2.4. Remuneration of the Advisory Board members

For the financial years ended 2019 and 2018, the members of the Advisory Board did not receive any renumeration.

9.3. Senior Management

Given its current size, the Company has no additional members of senior management.

9.4. Additional Information in regard to the Board Members and management

At the date of the Prospectus, no family relationships exist among the members of the Board of Directors or the members of the Advisory Board on the other hand.

During the last five years, no current member of the Board of Directors or current member of the Advisory Board has been convicted of fraudulent offenses.

In the last five years, there have been no official public incriminations and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and no such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

10. Financial Information

10.1. General Information

The Company has prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) for the financial years ended 31 December 2019 and 31 December 2018, which were audited by Parker Randall Turner, Malta who issued in each case an unqualified auditor's report thereon. The Company's consolidated audited financial statements as of and for the period ended 31 December 2019 and 31 December 2018 (10 January 2018 to 31 December 2018) referred to as ***Audited Financial Statements***.

The Company´s principal functional currency is the euro and the Company prepares its financial statements in euro.

10.2. Significant Change in the Financial Position of Cryptology

A capital increase against contribution in cash was resolved in principle by way of a resolution on 14 February 2020 following authorization by the shareholders, whereby the share capital of the Company was increased by 2,500 ordinary shares to reflect the current share capital of 2,732,500 ordinary Shares.

There have been no further significant changes in Cryptology's financial position between 31 December 2019 and the date of the Prospectus.

10.3. Dividend Policy

10.3.1. General Rules on Allocation of Profits and Dividend Payments

Based on their respective interest in the Company's share capital, the Company's shareholders have a right to the Company's distributable profits.

The Company may, in accordance with Sections 154 to 160 of the Articles of Association, pay dividends, but no dividend may exceed the amount recommended by the Board of Directors. The Board of Directors may from time to time, whilst acting in compliance with the Companies Act, pay to the shareholders such interim dividends as appear to the Board of Directors to be justified by the profits of the Company. The extent of any dividend distribution depends upon many factors, amongst which the profit for the year, market outlook, any loan covenants in place, regulatory requirements related to capital adequacy and distributions and the availability of distributable reserves in terms of law.

10.3.2. Dividend Policy

The Company has not paid any dividends or made any other distributions up to and including the date of this Prospectus.

The Company currently does not intend to pay any dividends in the foreseeable future and intends to continue to invest in sales and marketing and geographic expansion, and reduce its financial liabilities. The Company may examine opportunities to pay dividends in the longer term. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Company’s results of operations, financial condition, contractual restrictions and capital requirements. The Company’s future ability to pay dividends may be limited by the terms of any existing and future debt or preferred securities.

10.4. Audited Consolidated Financial Statements of Cryptology and Auditor's Report

The Audited Financial Statements of Cryptology Asset Group p.l.c. prepared in accordance with the IFRS as of and for the financial years ended 31 December 2019 and 31 December 2018 (10 January 2018 to 31 December 2018) including the related auditor's report appear on the following pages.

10.4.1. Consolidated audited financial statements as of and for the period ended 31 December 2019

- **CRYPTOLOGY ASSET GROUP P.L.C.**

STATEMENT OF COMPREHENSIVE INCOME

- For the year ended 31 December 2019

	Notes	2019 (52 wks) €	2018 (51 wks) €
REVENUE	3	14,806,942	2,571,723
Cost of investments		(12,280,582)	(2,848,553)
Realised loss on purchase of investment		-	(1,229,073)
Loss on fair value on held-for-trading investments		-	(244,702)
GROSS OPERATING PROFIT/ (LOSS)		2,526,360	(1,750,605)
Administrative expenses		(261,932)	(527,248)
Other income		59,983	888
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE FINANCE COSTS	5	2,324,411	(2,276,965)
Finance costs	4	(234,311)	(41,716)
PROFIT/ (LOSS) FOR THE YEAR/ PERIOD BEFORE TAXATION		2,090,100	(2,318,681)
Taxation	8	(733,699)	719,759
PROFIT/ (LOSS) FOR THE YEAR/ PERIOD AFTER TAXATION		1,356,401	(1,598,922)
OTHER COMPREHENSIVE INCOME			
Assets that will not be taken to profit or loss:			
Quoted available-for-sale investments: changes in fair value	13	31,383,020	-
Unquoted available-for-sale investments: changes in fair value	13	3,767,419	7,673,970
Foreign exchange translations on available-for-sale investments	13	298,904	915,555
		35,449,343	8,589,525
TOTAL COMPREHENSIVE INCOME		€ 36,805,744	€ 6,990,603

The notes form an integral part of these financial statements.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

STATEMENT OF FINANCIAL POSITION
At 31 December 2019

	Notes	2019 €	2018 €
ASSETS			
Non-current assets			
Intangible assets	9	1,056,380	-
Property, plant and equipment	10	7,018	13,523
Investment in subsidiaries	12	240	480
Available-for-sale investments	13	79,933,526	36,473,830
Other receivables	15	5,000,000	-
		85,997,164	36,487,833
Other non-current assets			
Deferred tax asset	11	-	719,759
Current Assets			
Held-for-trading investments	14	-	188,233
Trade and other receivables	15	60,187	8,564
Cash and cash equivalents		1,608	198,137
		61,795	394,934
TOTAL ASSETS		€ 86,058,959	€ 37,602,526
EQUITY AND LIABILITIES			
Equity			
Share capital	16 (a)	2,732,500	2,650,000
Share premium	16 (b)	23,862,113	20,644,612
Retained earnings	16 (c)	43,796,347	6,990,603
		70,390,960	30,285,215
Non-Current Liabilities			
Trade and other payables	17	13,119,936	6,732,078
Current Liabilities			
Interest-bearing loans and borrowings	18	2,209,797	-
Trade and other payables	18	338,266	585,233
		2,548,063	585,233
TOTAL EQUITY AND LIABILITIES		€ 86,058,959	€ 37,602,526

The notes form an integral part of the financial statements. These Financial Statements on pages 5 to 37 were approved by the directors on 13 May 2020 and signed on its behalf by:

Mr. Jefim Gewiet
Managing Director

Dr. Jorg Werner
Director

- **CRYPTOLOGY ASSET GROUP P.L.C.**

STATEMENT OF CHANGES IN EQUITY
At 31 December 2019

	Share Capital €	Retained Earnings €	Share Premium €	Total €
FINANCIAL PERIOD ENDED FROM 10 JANUARY 2018 TO 31 DECEMBER 2018				
Issue of share capital	2,650,000	-	-	2,650,000
Increase in share premium			20,644,612	20,644,612
Profit for the period representing Total Comprehensive Income	-	6,990,603	-	6,990,603
At 31 December 2018	2,650,000	6,990,603	20,644,612	30,285,215
FINANCIAL YEAR ENDED 31 DECEMBER 2019				
Issue of share capital	82,500	-	-	82,500
Increase in share premium	-	-	3,217,501	3,217,501
Profit for the year representing Total Comprehensive Income	-	36,805,744	-	36,805,744
At 31 December 2019	€ 2,732,500	€ 43,796,347	€ 23,862,113	€ 70,390,960

The notes form an integral part of these financial statements.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **STATEMENT OF CASH FLOWS**

For the year ended 31 December 2019

	Notes	2019 €	2018 €
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operations	19 (a)	2,108,238	(1,912,532)
Interest paid		(144,543)	(12,096)
Interest received		8,613	888
NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		1,972,308	(1,923,740)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(20,028)
Purchase of intangible assets		(1,056,380)	-
Disposal/ purchase of investments in subsidiaries		240	(480)
Disposal of available-for-sale investments		10,000	-
Purchase of available-for-sale investments		(7,883,355)	(27,434,329)
Convertible loan advances		(5,000,000)	-
NET CASH FLOW (USED IN) INVESTING ACTIVITIES		(13,929,495)	(27,454,837)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share capital		82,500	2,650,000
Issue of share premium		3,217,501	20,644,612
Exchangeable note	17	-	6,282,102
Loan advances from third party	17	6,250,860	-
NET CASH GENERATED FROM FINANCING ACTIVITIES		9,550,861	29,576,714
Net movement in Cash and Cash Equivalents		(2,406,326)	198,137
Cash and Cash Equivalents at the beginning of Year	19 (b)	198,137	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	19 (b)	€ (2,208,189)	€ 198,137

The notes form an integral part of these financial statements.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1. BASIS FOR PREPARATION

1.1 Statement of Compliance

The financial statements of Cryptology Asset Group p.l.c have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

These financial statements have also been prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta)

1.2 Basis of accounting

The financial statements are prepared under the historical cost. Assets and liabilities are measured at historical cost except for the following that are measured at fair value: financial assets measured at fair value through other comprehensive income (FVTOCI), and financial instruments classified at fair value through profit or loss (FVTPL).

These Financial Statements are prepared on a going concern basis. The Directors regard this as appropriate, after due consideration of the company's statement of financial position, capital adequacy and solvency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

2.1.1 Standards and amendments to existing standards effective 1 January 2019

A number of new standards and amendments were endorsed by the EU but effective for periods starting after 1 January 2019. These standards and amendments include the following:

Standards:

- IFRS 16 Leases (issued on 13 January 2016) – effective 1 January 2019

Interpretations:

- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017) – effective 1 January 2019;
- IFRIC 22 Foreign Currency Translations and Advance Consideration (issued on 8 December 2016) – effective 1 January 2019.

Amendments:

- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017) and effective for periods starting on or after 1 January 2019;
- Amendments to IAS 28: Long-term interests in Associates and Joint Ventures (issued on 12 October 2017) – effective 1 January 2019.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS (continued)

2.1.1 Standards and amendments to existing standards effective 1 January 2019 (cont'd)

The directors have assessed the impact that the adoption of these new standards and interpretations and amendments to standards will have on the financial statements of the Company. The directors foresee that the adoption of new standards, amendments to existing standards, and interpretations that are effective for annual period on 1 January 2019, have no material impact on the financial statements of the Company.

2.1.2 New standards, interpretations and amendments not yet effective and have not been early adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2.1 Non-derivative financial instruments

Non-derivative financial instruments comprise in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted when the effect of discounting is immaterial, or when the interest rate attached to the instrument exceeds the Company's incremental borrowing rate. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available features or shared credit risk characteristics.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.1 Non-derivative financial instruments (cont'd)

The percentage of the write down value is then based on recent historical counterparty default rates for each identified group.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit and loss, which are measured initially at fair value. They are subsequently measured as described below.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

2.2.2 Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds. Classification and subsequent measurement of debt instruments depend on:

i. The Company's business model for managing the asset; and
ii. The cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement criteria:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flow represent solely payments of principal and interest on specified dates. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- Fair Value through Other Comprehensive Income (FVOCI): Financial assets that are held for collecting of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI. Foreign exchange gains and losses on the instrument's amortised cost are also recognised in OCI. No impairment gains or losses are recognised since these are reflected in the movement in fair value through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is kept in OCI. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- Fair Value through Profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.3 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

On initial recognition of an equity investment that is not held for trading, the company may irrecoverably elect to present changes in fair value in OCI. This election is made on a investment-by-investment basis and is irrecoverable. Other equity instruments are classified as measured at FVTPL. Gains and losses on such equity instruments are never reclassified to profit and loss and no impairment is recognized. Dividends are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognized in OCI. Cumulative gains and losses recognized in OCI are kept within OCI on disposal of an investment.

Gains and losses on equity investments at FVTPL are included in the 'Trading profits' in line with the statement of profit or loss.

The company classifies its equity instruments as follows:

i. Financial assets at fair value through profit or loss: This classification includes financial assets classified as held for trading. Financial assets at FVTPL are initially recognized and subsequently measured at fair value based on quoted bid prices in an active market.

ii. Financial assets at fair value through OCI: Investment securities are classified as available-for-sale financial assets in view of the fact that these are intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or market prices. All investment securities are initially measured at fair value plus transaction costs, if any, that were directly attributable to their acquisition.

Those investments securities classified as available-for-sale financial assets are subsequently measured at fair value based on quoted bid prices in an active market, or be reference to a valuation technique if the market was not active. Shares held as investments are classified as 'Available for Sale Investments' and these are valued at acquisition cost excluding any other ancillary costs. All shareholding listings in each respective investee is below the 20% holding.

2.2.4 Convertible instruments

Convertible instruments, which give the holder the right to either demand repayment of the principle amount or to write off the debt and instead convert the balance into shares, are split up recognising both the liability and the equity components. The liability component is worked out on the basis of the present value of the payments at the market rate of interest. Once the liability component has been calculated, the equity component represents the difference between the cash paid and the liability component. This scenario applies when the market rate of interest will be higher than the coupon rate.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.5 Investment in subsidiaries and equity-accounted investees

A subsidiary is an entity that is controlled by the Company. Control is the power to govern the financial & operating policies of an entity to obtain benefits from its activities. Investments in subsidiaries and equity-accounted investees are initially include in the Company's statement of financial position at cost and subsequently at cost less any impairment loss which may have arisen. Interest in equity-accounted investees are accounted for using the equity method at Group Level. These are initially recognized at cost, which includes transaction costs.

Subsequently the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases. Dividends from the investments are recognised in profit or loss when its right to receive the dividend is established.

At the end of each reporting period, the Company reviews the carrying amount of its investments in subsidiaries and equity-accounted investees to determine whether there is any indication of impairment, and if such indication exists, the recoverable amount of the asset is estimated, and an impairment loss is accounted for as explained below.

2.2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided for on the straight-line method at rates intended to write of the cost to its residual value over the expected useful life. The annual rates used are as follows:

	%
Computer and other office equipment	25
Computer software	25

Depreciation begins when the asset is available for use and continues until the asset is derecognised. Depreciation charge is recognised within 'cost of sales' and 'administrative expenses' in the statement of comprehensive income.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. The residual values and useful lives of the assets are reviewed and adjusted as appropriate, at each financial reporting date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.6 Property, plant and equipment (cont'd)

Property, plant and equipment that are temporarily idle and in course of construction are recognized in the carrying amount of property, plant and equipment at cost within 'Assets under construction'.

2.2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit and loss in the year in which the expenditure is incurred.

The useful life of intangible assets is assessed to be either finite or infinite. The Company's intangible assets consist of crypto-currencies, which are held for the Company's own account. No amortisation is being provided to write of the cost to its residual value, since the assets do not have a definite useful life.

The cryptocurrencies were classified as intangible assets under IAS 38, 'Intangible Assets', because:

- it is a resource controlled by an entity (that is, the entity has the power to obtain the economic benefits that the asset will generate and to restrict the access of others to those benefits) as a result of past events and from which future economic benefits are expected to flow to the entity;

- it is identifiable, because it can be sold, exchanged or transferred individually;

- it is not cash or a non-monetary asset; and

- it has no physical form.

Where an indication of impairment exists, the carrying amount of the intangible asset is assessed and written down immediately to its recoverable amount.

For the purpose of assessing impairment, assets are grouped in the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, management estimates expected future cashflows from each cash-generating unit and determines a suitable discounting rate in order to calculate the present value of those cash flows.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.7 Intangible assets (cont'd)

Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management. Impairment losses are recognised immediately in the income statement. Impairments losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss that had been previously recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been previously recognised.

2.2.8 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations resulting from a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are numerous similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the obligations' class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

A contingent liability is (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized. Contingent assets are disclosed when an inflow of economic benefits is probable.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.9 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

2.2.10 Related Undertakings and Related Parties

The term 'related undertakings' refers to companies having common shareholders or common ultimate shareholders.

A party is related to an entity if, directly or indirectly through one or more intermediaries, the party controls or in under common control with the entity, or has an interest in the entity which can give significant influence on control over the entity.

2.2.11 Bank and Other Borrowings

Bank and other borrowings are recorded at the proceeds received. Finance charges are accounted for on an accrual basis and are shown with accruals to the extent that they are not settled in the period in which they arise.

2.2.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, its absence, the most advantageous market to which the Company has access at the date. The fair value of a liability reflects its non-performance risk.

Fair value conditions, including but not limited to liquidity in the market, at a specific date may and therefore differ significantly from the amounts which will actually be received on the maturity or settlement date. The best evidence of fair value of an instrument is a quoted price in an actively traded market for that instrument. The determination of what constitutes an active market is subjective and requires the collation of data and the exercise of judgement. A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Where it is concluded that an active market does not exist, a valuation technique is used. The latter gives consideration of transaction prices in inactive markets, however it makes use of other observable market data. The main assumptions and estimates which management considers when using valuation techniques are the likelihood and expected timing of future cash flows on the instrument and a risk premium. The valuation techniques used by the Company incorporate all factors that market participants would consider in setting a price and are consistent with accepted methodologies for pricing financial instruments.

The major application of fair value measurement is adopted for the valuation of Available-for-Sale Investments disclosed in the financial statements under Non-Current Assets.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.12 Fair value measurement (cont'd)

In the absence of Level 1 and Level 2 inputs, the directors have applied Level 3 inputs to value these assets. Observable and unobservable inputs are used in this case, since there is little market activity for the asset at measurement date. The directors developed these inputs using the best information available in the circumstances, including the Company's own data, taking into consideration all information about market participants assumptions that is reasonable available.

A combination of valuation techniques were adopted taking into account the current replacement value of the asset and available, unaudited financial data of the underlying assets.

2.2.13 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity. Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Differences relating to the investment in subsidiary to the extent that the Company's ability to control the timing of the reversal of temporary differences and it is probable that those temporary differences will not reverse in the foreseeable future.

Deferred tax assets for the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

2.2.14 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable for services rendered in the normal course of business, net of value added tax.

Revenue is recognized to the extent that it is probable that future economic benefits will flow to the entity and these can be measured reliably. The company's revenue during the year under review relates to the sale of held-for-trading investments and the sale of cryptocurrencies.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.14 Revenue recognition (cont'd)

Dividend income from investments is recognised when the right to receive payment is established.

Interest income and expense is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the instrument, or when appropriate, a shorter period to that instrument's carrying amount. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the instrument but not future credit losses. The calculation includes payments or receipts that are an integral part of the effective interest rate, transaction costs and all other discounts or premiums.

Generally fee and commission income, is recognised as the related services are performed. Other fee and commission expenses are expensed as the services are rendered.

A contract with a customer that results in the recognised financial instrument in the company's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, the company first applies IFRS 9 to separate and measure the part of the contract that is within the scope of IFRS 9 and then applies IFRS 15 to the residual.

2.2.15 Administrative expenses

Operating expenses are recognised in the profit or loss and other statement of comprehensive income upon utilisation of the service or at the date of their origin.

2.2.16 Finance costs

Finance expenses comprise interest on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

(a) Borrowing costs

Borrowing costs include interest on bank overdrafts and borrowings and finance charges on finance leases. Borrowing costs and finance charges directly attributable to the acquisition, construction or production of assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale is capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing. All other borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.17 Surplus and deficits

Only surpluses that were realised at the date of the Statement of Financial Position are recognised in these Financial Statements. All foreseeable liabilities and potential deficits arising up to the said date are accounted for even if they become apparent between the said date and the date on which the Financial Statements are approved.

2.2.18 Foreign currency translation

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates. These Financial Statements are presented in Euro, which is the Company's functional and presentation currency. Assets and liabilities in foreign currencies are translated into Euro at the rate of exchange ruling at the balance sheet date. Transactions in foreign currency during the period are translated into Euro at the rate of exchange ruling on the date of the transaction. All profits and losses on exchange are dealt with through the profit and loss account.

2.2.19 Capital management policies and procedures

The Company's capital consists of its net assets, including working capital, presented by its retained funds. The company's capital management objectives are to ensure its ability to continue as a going concern, to maintains a positive working capital ratio, and to provide an adequate return to shareholders.

The Company uses budgets and business plans to set its strategy to optimise its use of available funds and implement its commitments to its primary stakeholders.

2.2.20 Significant judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable and reliable in the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The main assumptions and estimates are made in estimating the fair value of available-for-sale financial instruments not quoted in active markets. Management is required to make certain assumptions and estimates in arriving at an appropriate fair value, based on the application of valuation techniques that make use of available observable market data. A change in assumptions and estimates could affect the reported fair value of these financial instruments.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

3. REVENUE

	2019 (52 wks) €	2018 (51 wks) €
Revenue comprises the following:		
Sale of Held-For-Trading investments	284,486	2,571,723
Sale of cryptocurrencies and tokens	14,522,456	-
	€ 14,806,942	€ 2,571,723

4. FINANCE COSTS

	2019 (52 wks) €	2018 (51 wks) €
Bank interest and charges	176,923	18,254
Other interest on loans	38,259	12,083
Realised loss on exchange	19,129	29
Unrealized loss on exchange	-	11,350
	€ 234,311	€ 41,716

5. PROFIT/ (LOSS) FOR THE YEAR/ PERIOD BEFORE TAX

Profit before tax is stated after charging:	2019 (52 wks)	2018 (51 wks)
Total remuneration payable to the external audits of the company	€	€
- The audit of the financial statements	8,500	8,500
- Other non-assurance services	1,330	1,330
	€ 9,830	€ 9,830
Directors' emoluments		
- Non-executive director fees	18,000	18,000
- Director's salary as full-time employee recharged from subsidiary	-	60,000
	€ 18,000	€ 78,000
Compensation to other key management personnel is analysed as follows:		
- Remuneration as full-time employee recharged from subsidiary	€ 122,446	€ 87,168

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

6. EMPLOYEE COMPENSATION AND BENEFITS

1.

2.

3. Amounts recharged from subsidiary, including directors' remuneration:

	2019	2018
Wages and salaries	€ 122,446	€ 147,167
Managerial and administration	1	2
Average number of employees – Full time equivalents:	1	2

7. EARNINGS PER SHARE

	2019	2018
Earnings per share	€ 0.50	€ (0.60)

-
- The earnings per share have been calculated on the net profits of the company, as shown in statement of profit and loss, divided by the average number of shares in issue.

Earnings per share for the year ended 31 December 2019 was calculated on the profit attributable to shareholders of the company of € 1,356,401 (2018: € (1,598,922)) divided by average number of shares for the period ended 31 December 2019 of 2,732,500 (2018: 2,650,000).

8. TAXATION

The tax effect at the applicable tax rate on the accounting result and the tax charge for the year are reconciled as follows:

	2019 (52 wks) €	2018 (51 wks) €
Profit/(loss) for the year/ period before taxation	2,090,100	(2,318,681)
Tax at the applicable rate of 35%	731,535	(811,538)
Tax effect on disallowed expenses	2,164	6,133
Tax effect on fair value adjustments	-	85,646
	€ 733,699	€ (719,759)
Comprising:		
Current taxation	13,940	-
Deferred taxation	719,759	(719,759)
	€ 733,699	€ (719,759)

-

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

9. INTANGIBLE ASSETS

	2019	2018
Crypto-currencies		
Additions during the year	€ 1,056,380	€ -

10. PLANT AND EQUIPMENT

	Computer and other office equipment €	Computer software €	Total €
COST			
At 1 January and 31 December 2019	1,303	18,725	20,028
DEPRECIATION			
At 1 January 2019	326	6,179	6,505
Charge for the year	326	6,179	6,505
At 31 December 2019	652	12,358	13,010
NET BOOK VALUE			
At 31 December 2019	€ 651	€ 6,367	€ 7,018

	Computer and other office equipment €	Computer software €	Total €
COST			
Additions during 2018	1,303	18,725	20,028
DEPRECIATION			
Charge for 2018	326	6,179	6,505
NET BOOK VALUE			
At 31 December 2018	€ 977	€ 12,546	€ 13,523

11. DEFERRED TAXATION

	At 1 January 2019 €	Recognised in profit or loss €	At 31 December 2019 €
Unutilised tax losses	€ 719,759	€ (719,759)	€ -

CRYPTOLOGY ASSET GROUP P.L.C

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

12. INVESTMENT IN SUBSIDIARIES

	2019	2018
	€	€
Cost		
As at 1 January	480	-
Disposals/ additions during the year (note)	(240)	480
As at 31 December	€ 240	€ 480

As at 31 December 2019, the company held the following equity interest:

Subsidiary and its registered office	Number, class & nominal value of shares held	Percentage of issued shares held
Cryptology Advisory Limited Block A, Apt 12, Il-Piazzetta Tower Road Sliema SLM 1605, Malta	1,199 ordinary 'A' shares of €1 each, 20% paid-up	99.9%

The financial statements of Cryptology Advisory Limited prepared using the IFRSs as adopted by the EU and have been audited in accordance with International Standards on Auditing. A clean audit opinion has been issued in respect of these financial statements.

The share capital and reserves of Cryptology Advisory Limited at the balance sheet date stood as follows:

	2019	2018
	€	€
Ordinary share capital	240	240
Retained earnings	149,432	34,632
	€ 149,672	€ 34,872

- Note:
-

During the year under review the company disposed of its investments in subsidiary Apeiron 101 Ltd, previously known as Cryptology Investment Group Ltd. The investment was sold to a related undertaking at the nominal value of the shares.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

13. AVAILABLE-FOR-SALE INVESTMENTS

Quoted equity and other non-fixed income instruments measured at FVOCI:

	2019 €	2018 €
AFS Investments:		
Additions (at cost)	6,883,355	-
Fair Value Movements *(Note a)*	31,383,020	-
	38,266,375	-

Unquoted equity and other non-fixed income instruments measured at FVOCI:

	2019 €	2018 €
AFS Investments:		
Opening balance	29,741,752	-
Additions (at cost)	1,000,000	21,152,227
Disposals	(10,000)	-
Unrealized gain on exchange	298,904	915,555
Fair Value Movements *(Note a)*	3,767,419	7,673,970
	34,798,075	29,741,752
Asset-Managed Investment (Note b):		
Opening balance	6,732,078	-
Additions (at cost)	-	6,282,102
Unrealized gain on exchange	136,998	449,976
	6,869,076	6,732,078
Total Available-for-Sale investments at year end	€ 79,933,526	€ 36,473,830

Notes:

(a) Fair Value Movements

The fair value basis measurement of quoted investments has been determined on the basis of Level 1 inputs, being the quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date.

The fair value basis measurement of unquoted AFS Investments has been determined on the basis of Level 3 criteria. The investment group classification method has been used whereby assets were sub-divided between classifications of sub-groups and analysed on basis of observable and unobservable market data.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

13. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes:

(a) Fair Value Movements

The basis has been derived by analyzing the underlying assets in the investee companies through a combination of valuation techniques. In applying the valuation technique, management also adopted other criteria to factor market changes in the underlying assets and other sensitive market variations in the valuation.

The data sensitivity analysis was carried out from unaudited sources but was independently extracted from information provided by third parties and management representations. Other observable market information was obtained and the valuation technique models were compared to other observable market information as follows:

i. Share prices of other share transfers effected subsequent to the Company's acquisition of shares, representing the price buyers in the market are willing to pay for the shares in investee companies;

ii. Shareholders' reports prepared by Management confirming the price the Company is willing to offer for the investment. These represent price indicators to investors from valuation techniques performed by Management

iii. Share buy-backs by the investee companies offering existing holders the option to sell the shares; and

iv. Net Asset Value techniques on investee companies arriving at the share base.

On this basis, valuation techniques were carried out on the financials of the investee companies and data inputs were affected to consider future cashflows and other market available information. In determining the fair value, we analysed the underlying assets, and impairment tests were provided on the sub-classifications of assets to take into account the inherent variations and volatility of the balances.

In carrying out the above analysis we determined the Net Asset Value and compared to observable inputs disclosed above, including share prices for other share transfers effected. This could only be applied if the observable market data and share prices for similar investors investing in the same investee companies could be substantiated to underlying company valuations and future company potential.

The fair value movements included in the quoted AFS investments amounted to € 31,383,020. The fair value movements included in the unquoted AFS investments of € 3,767,419 is representative of fair value gains of € 4,456,975, after adjusting for fair value decreases of € 689,556 on investments. The net total increase of € 35,150,439 is reflected in Other Comprehensive Income. The Company shall be consistent in applying such valuation methods from one period to the next. Quantitative and qualitative information about unobservable inputs and assumptions are also used.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

13. AVAILABLE-FOR-SALE INVESTMENTS (continued)

(b) Asset-Managed Investment

The Asset-Managed Investment as disclosed in the AFS investments is represented by a corresponding exchangeable note included within non-current liabilities under Note 17 to the financial statements to the equivalent amount.

The fair value of the Asset-Managed Investment was calculated solely for the scope of determining a potential future unrealized gain, using the same valuation techniques applied for the other AFS investments held by the Company. The exchangeable note can be exercised within a period of five years against the Asset-Managed Investment. Upon the exercise of the exchangeable note, a gain may crystallize to the Company based on the fair value increases of the Asset-Managed Investment on the date of the transfer. At year end, should the exchangeable note had been executed, unrealized net gains of € 551,092 would have been materialized based on the fair value determination of the investment. Any decreases in the fair value of the Asset-Managed Investment will not impact negatively on the Company's financials.

14. HELD-FOR-TRADING INVESTMENTS

Financial assets designated at FVTPL consist of the following equity instruments:

	2019 €	2018 €
Quoted equity investments		
Opening balance	188,233	-
Additions	-	4,521,911
Disposals at carrying amount	(188,233)	(2,848,553)
Realised loss on purchase of investment	-	(1,229,073)
Decrease in fair value of investments	-	(244,702)
Unrealized loss on exchange	-	(11,350)
Total quoted held-for-trading investments	€ -	€ 188,233

15. TRADE AND OTHER RECEIVABLES

	2019 €	2018 €
Amounts falling due after more than one year:		
Convertible Note (note)	€ 5,000,000	€ -
Amounts falling due within one year:		
VAT recoverable	5,609	8,564
Prepayments and accrued income	54,578	-
	€ 60,187	€ 8,564

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

15. TRADE AND OTHER RECEIVABLES (continued)

The convertible note bears interest at the rate of 5 % per annum. The issuer grants each noteholder the right to convert each Note, in whole, but not in part, at any time during the Conversion period, with the final maturity date being set at 31 October 2024.

16. SHARE CAPITAL AND RESERVES

(a) Share Capital

	2019	2018
Authorised		
2,900,000 (2018: 2,650,000) Ordinary shares of € 1 each	€ 2,900,000	€ 2,650,000
Issued, allotted and 100% paid up		
2,650,000 Ordinary shares of € 1 each	2,650,000	2,650,000
Issue of shares	82,500	-
2,732,500 (2018: 2,650,000) Ordinary shares of € 1 each	€ 2,732,500	€ 2,650,000

(b) Share Premium

Share premium	€ 23,862,113	€ 20,644,612

Share premium represents the excess paid by the shareholders over the nominal value of the shares, being € 1 per share.

(c) Retained earnings

Retained earnings represent the accumulated operating profits after taxation after adjusting for other comprehensive income, resulting in total retained earnings of € 43,796,347 at year end. This primarily comprises the profit attributable to equity holders.

17. NON-CURRENT LIABILITIES

	2019 €	2018 €
Loan advances from third party (note a)	6,250,860	-
Exchangeable Note (note b)	6,869,076	6,732,078
	€ 13,119,936	€ 6,732,078

-

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

17. NON-CURRENT LIABILITIES (continued)

Notes:

(a) Loan advances from third party consist of a financial liability resulting from the purchase of AFS investments. The loan is payable upon resale of the shares, but for no longer than 15 March 2029, and bears interest at the rate of 0.65% per annum. The Company is also permitted to transfer back all shares which are not paid, until the final repayment date.

(b) The Exchangeable note consists of an instrument which is exercisable against Asset-Managed Investments included within the AFS investments held by the Company, disclosed in Note 13 (b). This instrument is exercisable within a five-year period. There is no reason to believe that the note will be exercised within a period of twelve months from year end.

18. TRADE AND OTHER PAYABLES

	2019 €	2018 €
Bank overdraft (note a)	2,209,797	-
Amounts payable to subsidiary undertakings (note b)	249,496	574,475
Trade creditors	11,385	-
Taxation	13,940	-
Accruals	63,445	10,758
	€ 2,548,063	€ 585,233

Notes:

(a) Bank overdraft represents a short-term facility provided for the purchase of AFS investments. It bears interest at the rate of 3.5% per annum, and is repayable by 30 June 2020. These are pledged over the said investments held by the Company.

(b) Amounts payable to the subsidiary undertakings are unsecured, interest free and are repayable on demand.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

19. NOTES TO THE CASH FLOW STATEMENT

(a) Cash generated from/ (used in) operations

	2019 €	2018 €
Profit/ (loss) before taxation	2,090,100	(2,318,681)
Adjustment for:		
Depreciation	6,505	6,505
Interest receivable	(59,983)	(888)
Interest payable	175,016	12,096
Unrealized losses on exchange	-	11,350
Operating profit/ (loss) before working capital	2,211,638	(2,289,618)
(Decrease)/ increase in held-for-trading investments	188,233	(199,583)
(Increase) in trade and other receivables	(253)	(8,564)
(Decrease)/ increase in payables	(291,380)	585,233
Cash generated from/ (used in) operating activities	€ 2,108,238	€ (1,912,532)

(b) Cash and cash equivalents

Cash and cash equivalents consist of balance with banks. Cash and cash equivalents included in the statement of cashflows and the statement of financial position comprise the following amounts:

	2019 €	2018 €
Cash at bank	1,608	198,137
Bank overdraft	(2,209,797)	-
	€ (2,208,189)	€ 198,137

20. RELATED PARTY DISCLOSURES

(a) Balances

Amount due from and to subsidiary undertaking is disclosed in note 18 to the financial statements.

(b) Transactions

During the period under review, the Company carried out transactions, in its normal course of the business and on an arm's length basis, with the following related undertakings:

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

20. RELATED PARTY DISCLOSURES (continued)

Name of entity	Nature of relationship
Apeiron Investment Group Limited	Immediate Parent Company
Cryptology Advisory Limited	Subsidiary Undertaking
Apeiron 101 Ltd	Related Undertaking
Apeiron Advisory Limited	Related Undertaking
Pre Sight Capital Limited	Related Undertaking
Grey Study Capital Gmbh	Related Undertaking

The following were the significant transactions carried out by the Company with related undertakings having:

	2019	2018
	€	€
Transactions with immediate subsidiary companies:		
Recharge of administrative costs from subsidiaries	23,788	76,672
Recharge of wages from subsidiary	122,465	147,168
Other interest recharged from subsidiary	7,786	12,083
- Transactions with immediate parent company:		
Recharge of administrative and other expenses from parent	-	6,725
Direct costs charged by parent	496,150	-
Transactions with related undertakings:		
Recharge of administrative costs from related undertakings	16,896	-
Direct costs charged by related undertakings	527,158	-
Balances with immediate subsidiary companies:		
Amounts payable to immediate subsidiary undertakings	249,496	574,475

(b) Immediate parent Company and Ultimate Beneficiary Owner

The majority shareholder of the company is Apeiron Investment Group Limited, holding 49.56%, according to the Company's knowledge(2018: 49.96%) of total shareholding, with the remaining shareholding being held by various other members, with a percentage holding of less than 20% each. Apeiron Investment Group Limited is a company registered in Malta, with its registered address at Block A, Apt 12, Il-Piazzetta, Tower Road Sliema, SLM 1605, Malta.

The ultimate beneficial owner of Apeiron Investment Group Limited is Mr. Christian Berthold Angermayer, residing at The Penthouse 2901, Canaletto Tower, City Road, London, EC1V 1AF United Kingdom.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

21. FINANCIAL RISK MANAGEMENT

By their nature, the Company's activities are principally related to the use of financial instruments. The main activity of the Company is to invest in blockchain-model companies. During the year under review it also traded in crypto-currencies. It is established knowledge that the activities will potentially expose it to a variety of risks, including credit risk, liquidity risk, market risk and currency risk. The Company's risk management is coordinated by the managing Director and the Advisory Board and focuses on actively securing the Company's short to medium term cash flow by minimising exposure to financial risks. The Company's aim is to disclose possible relevant information to enable users of the Financial Statements to evaluate the nature, extent and precautions taken of risks arising from financial instruments to which the company is exposed at the end of the financial period.

21.1 Credit risk

This represents the risk of loss of principal or loss of interest to be earned from a borrower's failure in repaying debts or else failure to meet contractual obligations. The credit risk arises every time the company may want to use future cash flows through the payment of current obligation.

In this scenario, the credit risk may be either on the borrower, where an obligation to repay both the principal and the interest accrue in favour of the lender, or to the investor who has placed funds in securities or loaned money where a foreseeable repayment of debt and interest thereon is contemplated.

Credit risk may also be related to an investment's return where yields on bonds correspond to their supposed credit risk. The Company invested an amount of € 5 Million in a convertible note with a coupon rate of 5% per annum. The issuer grants the right to convert the Note within the period until Maturity on 31 October 2024. The directors are not anticipating that conversion will take place within 12 months from balance sheet date, and this is considered as a long-term investment. The Company is monitoring closely the operations of the underlying investment of the convertible note and its quoted prices on the market.

The Company's exposure to credit risk related to the carrying amount of the current financial assets, recognised at the end of the reporting period, as summarised below:

	Notes	2019 €	2018 €
Class of financial assets – carrying amounts:			
Held-for-trading investments	14	-	188,233
Trade and other receivables	15	60,187	8,564
Cash and cash equivalents	19	1,608	198,137
		61,795	394,934

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

21. FINANCIAL RISK MANAGEMENT (continued)

21.1 Credit risk (cont'd)

During the year under review, the Company, or any of its subsidiaries, held non-cash current assets that were not subject to any risk for liquidating them. All traded financial assets and accounts receivables were eventually liquidated in 2019, hence resulting in no provisions for losses during the reporting period.

Furthermore, the Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal with only creditworthy counterparties.

The Company considers that the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for Cash and Cash Equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Exposure to Credit risk on FVTOCI securities

The company assesses whether financial instruments have experienced a significance increase in credit risk since initial recognition. When determining whether the risk of default on a financial instrument has increased significantly, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the shareholder's historical experience and due diligence and KYC procedures affected on the investee companies. The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default as at reporting date; with

- The remaining lifetime probability of default for this point in time that was estimated at the time of initial recognition of the exposure.

21.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. This is an important measure to take cognisance since any assets held by the company should be saleable when contemplating in generating immediate cash requirements.

In this scenario, the Company does take note of the fact that the market may be illiquid, hence the liquidity risk factor, or quite liquid, hence the financial asset held by the company will increase in value as there will be no potential capital loss in sight.

At 31 December 2019, the company's financial liabilities have contractual maturities which are summarised below:

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

21. FINANCIAL RISK MANAGEMENT (continued)

21.2 Liquidity risk (cont'd)

	Note	*Current* Due within one year €	*Non-Current* Due between two to five years €
Financial liabilities:			
Bank overdraft	18	2,209,797	-
Trade and other payables	18/17	74,830	13,119,936
Amounts due to subsidiary undertakings	18	249,496	-
		€ 2,534,123	€ 13,119,936

In relation to financial liabilities falling due within two to five years, these include the Exchangeable Note supported by AFS investments which are closely monitored for their valuation. On the expiration of the exchangeable note, the AFS investments will be transferred in compensation for the financial obligation, not resulting in liquidity risks to the Company. Further, there is also a loan to a third party, which was attained in order to purchase equity investments, and for which the Company has an option to repay back through the transfer of the same shares, thus having no impact on its liquidity risk.

The Company is also confident that it will be in a good position to honour its obligations with the bank, through the sale of some of its AFS investments or through leveraging with other bankers. Furthermore, the company has support of its related parties. In this respect, the Company or any of its subsidiaries, did not require immediate cash to execute its activity, hence the liquidity risk was minimal, if at all. Any new investment projects shall be financed in new cash-rounds through fresh capital from new and/or existing members.

21.3 Market risk

Market risk is the risk that the fair value cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. It arises in all areas of the company's activities and is managed by a variety of different techniques as detailed below.

The objective of the Company is to manage and control market risk exposures in order to optimise return on risk while maintaining a market profile consistent with the Company's strategy. The major risk here is the movement of equity prices, particularly in this sector of business. The risk is mitigated by the management makes a selection of investments built from experience and by determining the market risk commensurate with the return on them. Whilst it is Management's responsibility and commitment to focus on such unpredictability of the markets, these are minimized as much as possible. The selected investment portfolio of the company, with its strong performance and its strong demand, gives the Company confidence of a stable position that is expected to reap even higher results in the foreseeable future.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

21. FINANCIAL RISK MANAGEMENT (continued)

21.3 Market risk (cont'd)

The Company has also recently participated in US hedge funds in order to ensure its portfolio is rebalanced. The Company's Advisory Board is being structured to take these considerations into account and with the sole aim to decide when, where and how to purchase and/or sell financial assets.

21.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in market interest rates. The company's exposure to interest rate risk is limited to the variable interest rate of interest- bearing loans and borrowings. Cash and cash equivalents issued at variable rates expose the Company to cash flow interest rate risk. Management monitors the level of floating rate bank balances as a measure of cash flow risk taken on.

Based on this analysis, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period is to be immaterial, in view of the Company's limited exposure to bank and borrowings. Through strong business relations with the bank, together with the strong and profitable investments that are being hypothecated, the Company managed to negotiate a favourable interest rate. Such scenario is expected to continue in the coming months.

21.3.2 Currency risk

Exchange-rate risk arises from the change in price of one currency in relation to another and, the fair value or a future cash-flow transaction emanating from the sale or purchase of a financial instrument where exchange rate fluctuations may occur. Since one of its major investments lies across national border and this is predominantly in US Dollars, the Company recognises that this might create an unpredictable gain or loss. At the reporting date the exchange rate has moved in favour of the Company.

The Company intends to mitigate currency risk by investing predominantly in Euro and in US Dollars, both of which are stable currencies. Further, after year end, the Company has also embarked to invest in hedge funds to mitigate the exposure to risk arising from transactions denominated in US Dollars. The investments held that are denominated in US Dollars are expected to accrue higher returns than the currency risks that may arise.

21.3.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

21. FINANCIAL RISK MANAGEMENT (continued)

21.3.4 Other price risk (cont'd)

The Company is exposed to equity price risks arising from the holding of equity instruments classified either as available for sale or at fair value through profit or loss. The carrying amounts of financial instruments at the reporting date which could potentially subject the Company to equity price risk are disclosed in notes 13 and 14 to the financial statements. The Company counteracts the price risk by adopting an investment strategy of investing in start-up companies with a potential for growth and consequent increase in their market prices.

-

COVID-19 could potentially impact global stock markets. However, the Company foresees that its portfolio is already catering for this through its investment strategy in the composition of the investee entities that are already proving solid financial fundamentals. The major drivers are expected to continue to perform strongly in the future and to increase in value due to their decentralized operations in blockchain models, social media, as well as having the largest data centre in the world. Such factors are the current driving-force of these companies which are working in a decentralized manner under the present situation.

21.3.5 Other risks

In view of the inherent volatility of the assets invested in by the Company, the management will take safeguards not to inflate unnecessarily and incorrectly the valuations thereof. Coupled with this approach, there is also risk on fair value computation risk in view of the fact that investees may either not be prompt in providing information or the financial information provided does not carry an independent assurance verification. Consequently, the Management takes responsibility in adopting proper tools and prudent measures in valuing its financial assets.

22. CAPITAL RISK MANAGEMENT

The company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company's capital structure is monitored by the Directors with appropriate reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities, the capital level as at the end of the reporting period is deemed adequate by the Company.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's accounting policy for determining the fair value of financial instruments is described in notes 2.2.1, 2.2.2, 2.2.3 and 2.2.12 to the financial statements. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair values measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the entity can access at the measurement date.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, whether directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3 inputs are observable inputs for the asset or liability. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs that have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or adjustments are required to reflect differences between the instruments.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

- Basis of valuing financial assets and liabilities measured at fair value

Assets	**Level 1** **€**	**Level 2** **€**	**Level 3** **€**	**Total** **€**
Available-for sale investments	38,266,375	-	34,798,075	73,064,450

The instruments classified within Level 3 comprise the AFS investments. In this respect, it has to be ascertained whether the financial asset is active or not in the market, hence obtaining financial information from the respective investees. Whilst acknowledging that valuations only provide an estimate of true value, yet the Company ensures to be closest to accuracy by selecting the best practices in a valuation technique. As contemplated in IFRS 13, the fair value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the financial asset. Therefore, our valuation of 'Fair Value' is the price that a financial asset can be sold at in an orderly transaction in a market on that date under market conditions, irrespective as to whether the price is observable on an Exchange or using a valuation approach.

During the year under review, the Company held shares that are not easily observable in arriving at fair value. Such shares are not traded in the open market whilst the financial information available from the investee lacks detail. However, the Company holds information where shares are being traded much higher than the original cost. The Company is unable to carry out an exhaustive search to identify the market price but intends to rest on the latest financing-rounds in the investee at a discounted price for prudency sake, together with other observable inputs.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

For reasons explained above, the Company has no option but to apply level 3 by making its utmost in maximising the use of relevant observable inputs. In applying level 3, the Company always asks:

- Is there an identical item held by another party as an asset?

- If in the affirmative, the Company will use the market value of the market-participant that holds the identical item;

- The Company, always obtains financial information directly from the investee to compare the Net Asset Value against the market value of the market-participant.

IFRS 13 does not preclude the Company from using our own collected data.

24. SUBSEQUENT EVENTS

The shares of Cryptology Asset Group p.l.c (ISIN MT0001770107) have been included in the general sub-prime open market of the Düsseldorf Stock Exchange as of May 5, 2020. The listing on the prime open market of the Düsseldorf Stock Exchange is being undertaken, against the background of using the capital structure as a source of financing in the future as part of the growth strategy. The Small & Mid Cap Investmentbank AG was mandated as a capital market partner, which accompanied the transactions and submitted the application for listing.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Cryptology Asset Group p.l.c - Report on the Audit of the Financial Statements.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cryptology Asset Group p.l.c, set out on pages 5 to 37, which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements show a true and fair view of the financial position of the Company as at 31 December 2019 and of its financial performance and cash flow for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, and include a description of the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matter, together with our response by way of the audit procedures we performed to address that matter during our audit, and key observations arising with respect to such risks of material misstatement.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (continued)

Fair Value Measurement of Available-for-Sale Investments (AFS):
Available-for-sale Investments – changes in fair value reflected in Other Comprehensive Income

Reference is made to Accounting policy 2.2.12 to the financial statements and Notes 13 and 23 for further disclosure. The company's policy for investing in financial instruments is dependent on the experience of the founders, who together with other influential investors, have set aside sufficient funds to finance new projects and innovative products.

Included within the Company's AFS investments of € 79,933,526, there are investments of € 34,798,075 which were invested in securities in jurisdictions that do not require extensive financial reporting. The Company could not value the said AFS investments on the basis of Level 1 and Level 2 inputs since these investments are not quoted on a listed market. Consequently, the valuation of the said securities is determined by using appropriate observable and unobservable market data, and other inputs extracted from determinable sources, which gives rise to an element of risk in determining the fair value. The Level 3 inputs resulted in net fair value gains of € 3,767,419, reflected in OCI. We have considered that this basis of valuation is a Key Audit Matter mainly as a result of the following:

- unaudited financial information of the investee undertakings;
- observable inputs limited to selective investors; and
- inherent volatility of the underlying assets of the investee undertakings.

Due to the extent of such inherent estimation uncertainty underlying the valuation of the investments, the amounts recognised in the OCI may result to be different than amounts determinable should Level 1 and Level 2 inputs have been applied. These differences may be material.

How our audit addressed the Key Audit Matter

We have evaluated the appropriateness of the methodologies used in estimating the valuation arising on the AFS investments as part of our substantive procedures as follows:

- We analysed the underlying assets of the investee companies through a combination of valuation techniques. In applying the valuation techniques, data inputs and financials of the investee companies were analysed in a manner to factor the market changes in the underlying assets and other sensitive market variations in the valuation. Impairment tests were carried out on the sub-classification of assets to take into account the inherent volatility of the balances.

- We determined the net asset value, following impairment tests carried out, and compared to other observable inputs, including share prices for other share transfers effected subsequent to the Company's acquisition of the shares. The share price is representative of the price that the financial asset can be sold at in an orderly transaction in a market on that date under normal market conditions, irrespective as to whether the price is observable on a listed marker or using a valuation technique.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (continued)

- Consequent to the above, in verifying the fair value, we relied on the share prices sought in latest financing-rounds in the investee at a discounted price, together with other observable inputs. However, this could only be applied and accepted, if the share prices for similar investors investing in the same investee companies could be substantiated to underlying company valuations and future company potential.

Other Information

The directors are responsible for the other information. The other information comprises the information disclosed in the directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Art. 177 of the Companies Act (Cap. 386).

Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report has been prepared in accordance with the Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU, and in accordance with the Companies' Act, 1995. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are also responsible for overseeing the financial reporting process.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception by the Act

Pursuant to articles 179(10) and 179(11) of the Companies Act, we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

The principal authorised to sign on behalf of Parker Randall Turner on the audit resulting in this independent auditors' report is Mr. Arthur Douglas Turner.

Mr. Arthur Douglas Turner – Partner
- **On behalf of Parker Randall Turner**

"Parker Randall Turner"
13, Curate Fenech Street
Birzebbugia BBG 2032
Malta
- 14 May 2020

10.4.2. Consolidated audited financial statements as of and for the period ended 31 December 2018

CRYPTOLOGY ASSET GROUP P.L.C.

STATEMENT OF COMPREHENSIVE INCOME
- For the period from 10 January to 31 December 2018

	Notes	
		€
REVENUE	3	2,571,723
Cost of investments	14	(2,848,553)
Realised loss on purchase of investment	14	(1,229,073)
Loss on fair value on held-for-trading investments	14	(244,702)
GROSS OPERATING LOSS		(1,750,605)
Administrative expenses		(527,248)
Other income		888
LOSS ON ORDINARY ACTIVITIES BEFORE FINANCE COSTS	5	(2,276,965)
Finance costs	4	(41,716)
LOSS FOR THE PERIOD BEFORE TAXATION		(2,318,681)
Taxation	8	719,759
LOSS FOR THE PERIOD AFTER TAXATION		(1,598,922)
OTHER COMPREHENSIVE INCOME		
Assets that will not be taken to profit or loss:		
Available-for-sale investments: changes in fair value	13 (a)	7,673,970
Foreign exchange translations on available-for-sale investments	13 (a)	915,555
		8,589,525
TOTAL COMPREHENSIVE INCOME		€ 6,990,603

The notes form an integral part of these financial statements.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

STATEMENT OF FINANCIAL POSITION
At 31 December 2018

ASSETS	Notes	€
Non-current assets		
Property, plant and equipment	9	977
Intangible asset	11	12,546
Investment in subsidiaries	12	480
Available-for-sale investments	13	36,473,830
		36,487,833
Other non-current assets		
Deferred tax asset	10	719,759
Current Assets		
Held-for-trading investments	14	188,233
Trade and other receivables	15	8,564
Cash and cash equivalents		198,137
		394,934
TOTAL ASSETS		€ 37,602,526
EQUITY AND LIABILITIES		
Equity		
Share capital	16 (a)	2,650,000
Share premium	16 (b)	20,644,612
Retained earnings	16 (c)	6,990,603
		30,285,215
Non-Current Liabilities		
Trade and other payables	17	6,732,078
Current Liabilities		
Trade and other payables	18	585,233
TOTAL EQUITY AND LIABILITIES		€ 37,602,526

The notes on pages 5 to 36 form an integral part of the financial statements. These Financial Statements were approved by the directors on 17 December 2019 and signed on its behalf by:

Mr. Jefim Gewiet
Managing Director

Dr. Jorg Werner
Director

- **CRYPTOLOGY ASSET GROUP P.L.C.**

STATEMENT OF CHANGES IN EQUITY
At 31 December 2018

	Share capital €	Retained Earnings €	Share Premium €	Total €
FINANCIAL PERIOD ENDED FROM 10 JANUARY 2018 TO 31 DECEMBER 2018				
Issue of share capital	2,650,000	-	-	2,650,000
Increase in share premium			20,644,612	20,644,612
Profit for the period representing Total Comprehensive Income	-	6,990,603	-	6,990,603
At 31 December 2018	€ 2,650,000	€ 6,990,603	€ 20,644,612	€ 30,285,215

The notes form an integral part of these financial statements.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **STATEMENT OF CASH FLOWS**

For the period from 10 January to 31 December 2018

	Notes	€
CASH FLOW FROM OPERATING ACTIVITIES		
Cash used in operations	19 (a)	(1,912,532)
Interest paid		(12,096)
Interest received		888
NET CASH USED IN OPERATING ACTIVITIES		(1,923,740)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	19 (b)	(1,303)
Purchase of intangible assets	19 (b)	(18,725)
Purchase of investments in subsidiaries		(480)
Purchase of available-for-sale investments		(27,434,329)
NET CASH FLOW USED IN INVESTING ACTIVITIES		(27,454,837)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital		2,650,000
Issue of share premium		20,644,612
Exchangeable note	17	6,282,102
NET CASH GENERATED FROM FINANCING ACTIVITIES		29,576,714
Net movement in Cash and Cash Equivalents		198,137
Cash and Cash Equivalents at the beginning of Year	19 (c)	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	19 (c)	€ 198,137

The notes form an integral part of these financial statements.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS
For the period from 10 January to 31 December 2018

2. BASIS FOR PREPARATION

1.1 Statement of Compliance

The financial statements of Cryptology Asset Group p.l.c have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union.

These financial statements have also been prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta)

1.2 Basis of accounting

The financial statements are prepared under the historical cost. Assets and liabilities are measured at historical cost except for the following that are measured at fair value: financial assets measured at fair value through other comprehensive income (FVTOCI), and financial instruments classified at fair value through profit or loss (FVTPL).

These Financial Statements are prepared on a going concern basis. The Directors regard this as appropriate, after due consideration of the company's statement of financial position, capital adequacy and solvency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

2.1.1 Adoption of new accounting standards during the year ended 31 December 2018

The company was incorporated during 2018. Therefore, accounting policies reflect any updates in accounting standards which became effective as from 1 January 2018.

2.1.2 New standards and amendments not yet effective and not yet adopted by the Company

A number of new standards and amendments were endorsed by the EU but effective for periods starting after 1 January 2019. The impact that the adoption of other International Financial Reporting Standards will have on the financial statements of the Company in the period of initial application is currently being assessed by the directors. The directors foresee that the adoption of other International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements, but not yet effective will have no material impact on the financial statements in the period of initial application.

These standards and amendments include the following:

Standards:

- IFRS 16 Leases (issued on 13 January 2016) – effective 1 January 2019

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the period from 10 January to 31 December 2018

2.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

2.1.2 New standards and amendments not yet effective and not yet adopted by the Company (continued)

Interpretations:

- IFRIC 23 Uncertainty over Income Tax Treatments (issued on 7 June 2017) – effective 1 January 2019;
- IFRIC 22 Foreign Currency Translations and Advance Consideration (issued on 8 December 2016) – effective 1 January 2019.

Amendments:

- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017) and effective for periods starting on or after 1 January 2019;
- Amendments to IAS 28: Long-term interests in Associates and Joint Ventures (issued on 12 October 2017) – effective 1 January 2019.

In addition, the following standards have not been endorsed by the EU:

- Amendments to IFRS 3 Business Combinations (issued on 22 October 2018) – effective 1 January 2020;
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018) – effective 1 January 2020;
- Amendments to References to Conceptual Framework on IFRS Standards (issued on 29 March 2018) - effective1 January 2020;
- Annual improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017) and effective for periods starting on or after 1 January 2019;
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018) and effective for periods starting on or after 1 January 2019;
- IFRS 17 Insurance Contracts (issued on 18 May 2017) – effective 1 January 2021.

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.1 Non-derivative financial instruments

Non-derivative financial instruments comprise in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted when the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available features or shared credit risk characteristics. The percentage of the write down value is then based on recent historical counterparty default rates for each identified group.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit and loss, which are measured initially at fair value. They are subsequently measured as described below.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

2.2.2 Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

iii. The Company's business model for managing the asset; and
iv. The cash flow characteristics of the asset.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.2 Debt instruments (continued)

Based on these factors, the Company classifies its debt instruments into one of the following three measurement criteria:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flow represent solely payments of principal and interest on specified dates. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- Fair Value through Other Comprehensive Income (FVOCI): Financial assets that are held for collecting of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI. Foreign exchange gains and losses on the instrument's amortised cost which also recognised in OCI. No impairment gains or losses are recognised since these are reflected in the movement in fair value through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is kept in OCI. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

- Fair Value through Profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

2.2.3 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

On initial recognition of an equity investment that is not held for trading, the company may irrecoverably elect to present changes in fair value in OCI. This election is made on a investment-by-investment basis and is irrecoverable. Other equity instruments are classified as measured at FVTPL. Gains and losses on such equity instruments are never reclassified to profit and loss and no impairment is recognized. Dividends are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognized in OCI. Cumulative gains and losses recognized in OCI are kept within OCI on disposal of an investment.

Gains and losses on equity investments at FVTPL are included in the 'Trading profits' in line with the statement of profit or loss.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.3 Equity instruments (continued)

The company classifies its equity instruments as follows:

iii. Financial assets at fair value through profit or loss: This classification includes financial assets classified as held for trading. Financial assets at FVTPL are initially recognized and subsequently measured at fair value based on quoted bid prices in an active market.

iv. Financial assets at fair value through OCI: Investment securities are classified as available-for-sale financial assets in view of the fact that these are intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or market prices. All investment securities are initially measured at fair value plus transaction costs, if any, that were directly attributable to their acquisition.

Those investments securities classified as available-for-sale financial assets are subsequently measured at fair value based on quoted bid prices in an active market, or be reference to a valuation technique if the market was not active. Shares held as investments are classified as 'Available for Sale Investments' and these are valued at acquisition cost excluding any other ancillary costs. All shareholding listings in each respective investee is below the 20% mark.

2.2.4 Investment in subsidiaries and equity-accounted investees

A subsidiary is an entity that is controlled by the Company. Control is the power to govern the financial & operating policies of an entity to obtain benefits from its activities. Investments in subsidiaries and equity-accounted investees are initially include in the Company's statement of financial position at cost and subsequently at cost less any impairment loss which may have arisen. Interest in equity-accounted investees are accounted for using the equity method at Group Level. These are initially recognized at cost, which includes transaction costs. Subsequently the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases. Dividends from the investments are recognised in profit or loss when its right to receive the dividend is established.

At the end of each reporting period, the Company reviews the carrying amount of its investments in subsidiaries and equity-accounted investees to determine whether there is any indication of impairment, and if such indication exists, the recoverable amount of the asset is estimated, and an impairment loss is accounted for as explained below.

2.2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided for on the straight-line method at rates intended to write of the cost to its residual value over the expected useful life. The annual rates used are as follows:

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.5 Property, plant and equipment (continued)

	%
Computer and other office equipment	25

Depreciation begins when the asset is available for use and continues until the asset is derecognised. Depreciation charge is recognised within 'cost of sales' and 'administrative expenses' in the statement of comprehensive income.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. The residual values and useful lives of the assets are reviewed and adjusted as appropriate, at each financial reporting date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Property, plant and equipment that are temporarily idle and in course of construction are recognized in the carrying amount of property, plant and equipment at cost within 'Assets under construction'.

2.2.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit and loss in the year in which the expenditure is incurred.

The useful life of intangible assets are assessed to be either finite or infinite. The Company's intangible assets consists of computer software with a finite life. Amortisation is provided for on the straight-line method at rates intended to write of the cost to its residual value over the expected useful life. The annual rates used are as follows:

	%
Computer software	25

Where an indication of impairment exists, the carrying amount of the intangible asset is assessed and written down immediately to its recoverable amount.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.7 Impairment of Assets

For the purpose of assessing impairment, assets are grouped in the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, management estimates expected future cashflows from each cash-generating unit and determines a suitable discounting rate in order to calculate the present value of those cash flows.

Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management. Impairment losses are recognised immediately in the income statement. Impairments losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist

An impairment loss that had been previously recognised is reversed if the cash-generating unit’s recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been previously recognised.

2.2.8 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations resulting from a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are numerous similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the obligations’ class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.8 Provisions, contingent liabilities and contingent assets (continued)

A contingent liability is (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) a present obligation that arises from past events but is not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized. Contingent assets are disclosed when an inflow of economic benefits is probable.

2.2.9 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

2.2.10 Related Undertakings and Related Parties

The term ‘related undertakings’ refers to companies having common shareholders or common ultimate shareholders.

A party is related to an entity if, directly or indirectly through one or more intermediaries, the party controls or in under common control with the entity, or has an interest in the entity which can give significant influence on control over the entity.

2.2.11 Bank and Other Borrowings

Bank and other borrowings are recorded at the proceeds received. Finance charges are accounted for on an accrual basis and are shown with accruals to the extent that they are not settled in the period in which they arise.

2.2.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, its absence, the most advantageous market to which the Company has access at the date. The fair value of a liability reflects its non-performance risk.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.12 Fair value measurement (continued)

Fair value conditions, including but not limited to liquidity in the market, at a specific date may and therefore differ significantly from the amounts which will actually be received on the maturity or settlement date. The best evidence of fair value of an instrument is a quoted price in an actively traded market for that instrument. The determination of what constitutes an active market is subjective and requires the collation of data and the exercise of judgement. A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Where it is concluded that an active market does not exist, a valuation technique is used. The latter gives consideration of transaction prices in inactive markets, however it makes use of other observable market data. The main assumptions and estimates which management considers when using valuation techniques are the likelihood and expected timing of future cash flows on the instrument and a risk premium. The valuation techniques used by the Company incorporate all factors that market participants would consider in setting a price and are consistent with accepted methodologies for pricing financial instruments.

The major application of fair value measurement is adopted for the valuation of Available-for-Sale Investments disclosed in the financial statements under Non-Current Assets. In the absence of Level 1 and Level 2 inputs, the directors have applied Level 3 inputs to value these assets. Observable and unobservable inputs are used in this case, since there is little market activity for the asset at measurement date. The directors developed these inputs using the best information available in the circumstances, including the Company's own data, taking into consideration all information about market participants assumptions that is reasonable available.

A combination of valuation techniques were adopted taking into account the current replacement value of the asset and available, unaudited financial data of the underlying assets.

2.2.13 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity. Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.13 Income taxes (continued)

Differences relating to the investment in subsidiary to the extent that the Company's ability to control the timing of the reversal of temporary differences and it is probable that those temporary differences will not reverse in the foreseeable future.

Deferred tax assets for the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

2.2.14 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable for services rendered in the normal course of business, net of value added tax.

Revenue is recognized to the extent that it is probable that future economic benefits will flow to the entity and these can be measured reliably. The company's revenue during the period under review relates to the sale of held-for-trading investments.

Dividend income from investments is recognised when the right to receive payment is established.

Interest income and expense is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the instrument, or when appropriate, a shorter period to that instrument's carrying amount. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the instrument but not future credit losses. The calculation includes payments or receipts that are an integral part of the effective interest rate, transaction costs and all other discounts or premiums.

Generally fee and commission income, is recognised as the related services are performed. Other fee and commission expenses are expensed as the services are rendered.

A contract with a customer that results in the recognised financial instrument in the company's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, the company first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

2.2.15 Administrative expenses

Operating expenses are recognised in the profit or loss and other statement of comprehensive income upon utilisation of the service or at the date of their origin.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.16 Finance costs

Finance expenses comprise interest on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

(b) Borrowing costs

Borrowing costs include interest on bank overdrafts and borrowings and finance charges on finance leases. Borrowing costs and finance charges directly attributable to the acquisition, construction or production of assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale is capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing. All other borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

2.2.17 Surplus and deficits

Only surpluses that were realised at the date of the Statement of Financial Position are recognised in these Financial Statements. All foreseeable liabilities and potential deficits arising up to the said date are accounted for even if they become apparent between the said date and the date on which the Financial Statements are approved.

2.2.18 Foreign currency translation

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates. These Financial Statements are presented in Euro, which is the Company's functional and presentation currency. Assets and liabilities in foreign currencies are translated into Euro at the rate of exchange ruling at the balance sheet date. Transactions in foreign currency during the period are translated into Euro at the rate of exchange ruling on the date of the transaction. All profits and losses on exchange are dealt with through the profit and loss account.

2.2.19 Capital management policies and procedures

The Company's capital consists of its net assets, including working capital, presented by its retained funds. The company's capital management objectives are to ensure its ability to continue as a going concern, to maintains a positive working capital ratio, and to provide an adequate return to shareholders.

The Company uses budgets and business plans to set its strategy to optimise its use of available funds and implement its commitments to its primary stakeholders.

CRYPTOLOGY ASSET GROUP P.L.C.

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- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

2.2 PRINCIPAL ACCOUNTING POLICIES AND REPORTING PROCEDURES (continued)

2.2.20 Significant judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable and reliable in the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The main assumptions and estimates are made in estimating the fair value of available-for-sale financial instruments not quoted in active markets. Management is required to make certain assumptions and estimates in arriving at an appropriate fair value, based on the application of valuation techniques that make use of available observable market data. A change in assumptions and estimates could affect the reported fair value of these financial instruments.

3. REVENUE

Revenue comprises the following:	
Sale of Held-For-Trading investments	€ 2,571,723

4. FINANCE COSTS

	€
Bank interest and charges	18,254
Other interest on loans	12,083
Realised loss on exchange	29
Unrealized loss on exchange	11,350
	€ 41,716

5. LOSS FOR THE PERIOD BEFORE TAX

Loss for the period before tax is stated after charging:

Total remuneration payable to the external audits of the company	€
- The audit of the financial statements	8,500
- Other non-assurance services	1,330
	€ 9,830

CRYPTOLOGY ASSET GROUP P.L.C.

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

5. LOSS FOR THE PERIOD BEFORE TAX (continued)

	€
Directors' emoluments	
- Non-executive director fees	18,000
- Director's salary as full-time employee recharged from subsidiary	60,000
	€ 78,000
Compensation to other key management personnel is analysed as follows:	
- Remuneration as full-time employee recharged from subsidiary	€ 87,168

6. EMPLOYEE COMPENSATION AND BENEFITS

4.

5. Amounts recharged from subsidiary, including directors' remuneration:

Wages and salaries	€ 147,167
Managerial and administration	2
Average number of employees – Full time equivalents:	2

7. EARNINGS PER SHARE

	Earnings per share
Earnings per share	€ (0.60)

- The earnings per share have been calculated on the net losses of the company, as shown in statement of profit and loss, divided by the average number of shares in issue.

Earnings per share was calculated on the loss attributable to shareholders of the company of € (1,598,922), divided by average number of shares for the period ended 31 December 2018.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

8. TAXATION

The tax effect at the applicable tax rate on the accounting result and the tax charge for the year are reconciled as follows:

	€
(Loss) for the year before taxation	(2,318,681)
Tax at the applicable rate of 35%	(811,538)
Tax effect on disallowed expenses	6,133
Tax effect on fair value adjustments	85,646
	€ (719,759)
Comprising:	
Deferred taxation	€ (719,759)

9. PLANT AND EQUIPMENT

	Computer and other office equipment €
COST	
Additions	1,303
DEPRECIATION	
Charge for the period	326
NET BOOK VALUE	
At 31 December 2018	€ 977

10. DEFERRED TAXATION	At 10 January 2018 €	Recognised in profit or loss €	At 31 December 2018 €
Unutilised tax losses	€ -	€ 719,759	€ 719,759

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

11. INTANGIBLE ASSET

	Computer software €
COST	
Additions	18,725
AMORTISATION	
Charge for the period	6,179
NET BOOK VALUE	
At 31 December 2018	€ 12,546

12. INVESTMENT IN SUBSIDIARIES

	€
Cost	
As at 1 January	-
Additions during the year	480
As at 31 December	€ 480

As at 31 December 2018, the company held the following equity interest:

Subsidiary and its registered office	Number, class & nominal value of shares held	Percentage of issued shares held
Cryptology Advisory Limited Block A, Apt 12, Il-Piazzetta Tower Road Sliema SLM 1605, Malta	1,199 ordinary 'A' shares of €1 each, 20% paid-up	99.9%

The financial statements of Cryptology Advisory Limited prepared using the IFRSs as adopted by the EU and have been audited in accordance with International Standards on Auditing. A clean audit opinion has been issued in respect of these financial statements.

The share capital and reserves of Cryptology Advisory Limited at the balance sheet date stood as follows:

	€
Ordinary share capital	240
Retained earnings	34,632
	€ 34,872

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- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

12. INVESTMENT IN SUBSIDIARIES (continued)

Subsidiary and its registered office	Number, class & nominal value of shares held	Percentage of issued shares held
Apeiron 101 Ltd (formerly Cryptology Investment Limited) Block A, Apt 12, Il-Piazzetta Tower Road Sliema SLM 1605, Malta	1,199 ordinary 'A' shares of €1 each, 20% paid-up	99.9%

A share transfer was affected after period end whereby shares in Apeiron 101 Ltd were transferred to Apeiron Investment Group Ltd.

The financial statements of Apeiron 101 Ltd prepared using IFRSs as adopted by the EU and have been audited in accordance with International Standards on Auditing. A clean audit opinion has been issued in respect of these financial statements.

The share capital and reserves of Apeiron 101 Ltd at the balance sheet date stood as follows:

	€
Ordinary share capital	240
Accumulated losses	(2,130)
	€ (1,890)

13. AVAILABLE-FOR-SALE INVESTMENTS

Unquoted equity and other non-fixed income instruments measured at FVOCI (available-for-sale as at 31 December 2018):

	€
AFS Investments:	
Additions (at cost)	21,152,227
Unrealized gain on exchange	915,555
Fair Value Movements *(Note a)*	7,673,970
	29,741,752
Asset-Managed Investment (Note b):	
Additions (at cost)	6,282,102
Unrealized gain on exchange	449,976
	6,732,078
Total Available-for-Sale investments at period end	€ 36,473,830

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

13. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Notes:

(a) Fair Value Movements

The fair value basis measurement of AFS Investments has been determined on the basis of Level 3 criteria. The investment group classification method has been used whereby assets were sub-divided between classifications of sub-groups and analysed on basis of observable and unobservable market data.

The basis has been derived by analyzing the underlying assets in the investee companies through a combination of valuation techniques. In applying the valuation technique, management also adopted other criteria to factor market changes in the underlying assets and other sensitive market variations in the valuation.

The data sensitivity analysis was carried out from unaudited sources but was independently extracted from information provided by third parties and management representations. Other observable market information was obtained and the valuation technique models were compared to other observable market information as follows:

v. Share prices of other share transfers effected subsequent to the Company's acquisition of shares, representing the price buyers in the market are willing to pay for the shares in investee companies;

vi. Shareholders' reports prepared by Management confirming the price the Company is willing to offer for the investment. These represent price indicators to investors from valuation techniques performed by Management

vii. Share buy-backs by the investee companies offering existing holders the option to sell the shares; and

viii. Net Asset Value techniques on investee companies arriving at the share base.

On this basis, valuation techniques were carried out on the financials of the investee companies and data inputs were affected to consider future cashflows and other market available information. In determining the fair value, we analysed the underlying assets, and impairment tests were provided on the sub-classifications of assets to take into account the inherent variations and volatility of the balances.

In carrying out the above analysis we determined the Net Asset Value and compared to observable inputs disclosed above, including share prices for other share transfers effected. This could only be applied if the observable market data and share prices for similar investors investing in the same investee companies could be substantiated to underlying company valuations and future company potential.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

13. AVAILABLE-FOR-SALE INVESTMENTS (continued)

(a) Fair Value Movements (continued)

The fair value movements included in the AFS investments, is representative of fair value gains of € 10,483,776, after adjusting for fair value decreases of € 2,809,806 on investments. The net increase of € 7,673,970 is reflected in Other Comprehensive Income.

The Company shall be consistent in applying such valuation methods from one period to the next. Quantitative and qualitative information about unobservable inputs and assumptions are also used.

(b) Asset-Managed Investment

The Asset-Managed Investment as disclosed in the AFS investments is represented by a corresponding exchangeable note included within non-current liabilities under Note 16 to the financial statements to the equivalent amount.

The fair value of the Asset-Managed Investment was calculated solely for the scope of determining a potential future unrealized gain, using the same valuation techniques applied for the other AFS investments held by the Company. The exchangeable note can be exercised within a period of five years against the Asset-Managed Investment. Upon the exercise of the exchangeable note, a gain may crystallize to the Company based on the fair value increases of the Asset-Managed Investment on the date of the transfer. At year end, should the exchangeable note had been executed, unrealized net gains of € 484,137 would have been materialized based on the fair value determination of the investment. Any decreases in the fair value of the Asset-Managed Investment will not impact negatively on the Company's financials.

14. HELD-FOR-TRADING INVESTMENTS

Financial assets designated at FVTPL consist of the following equity instruments:

	€
Quoted equity investments	
Additions	4,521,911
Disposals at carrying amount	(2,848,553)
Realised loss on purchase of investment	(1,229,073)
Decrease in fair value of investments	(244,702)
Unrealized loss on exchange	(11,350)
Total quoted held-for-trading investments	€ 188,233

15. TRADE AND OTHER RECEIVABLES

VAT recoverable	€ 8,564

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

16. SHARE CAPITAL AND RESERVES

(a) Share Capital

<u>Authorised</u>	
2,650,000 Ordinary shares of € 1 each	€ 2,650,000
<u>Issued, allotted and 100% paid up</u>	
2,650,000 Ordinary shares of € 1 each	€ 2,650,000

(b) Share Premium

Share premium	€ 20,664,612

Share premium represents the excess paid by the shareholders over the nominal value of the shares, being € 1 per share.

(c) Retained earnings

Retained earnings represent the operating loss for the period after taxation after adjusting for other comprehensive income, resulting in total retained earnings of € 6,990,603 at period end. This primarily comprises the profit attributable to equity holders.

17. NON-CURRENT LIABILITIES

Exchangeable note	€ 6,732,078

The Exchangeable note consists of an instrument which is exercisable against Asset-Managed Investments included within the AFS investments held by the Company, disclosed in Note 13 (b). This instrument is exercisable within a five-year period. There is no reason to believe that the note will be exercised within a period of twelve months from year end.

18. TRADE AND OTHER PAYABLES

	€
Amounts payable to subsidiary undertakings (note)	574,475
Accruals	10,758
	€ 585,233

Amounts payable to the subsidiary undertakings are unsecured, interest free and are repayable on demand.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

19. NOTES TO THE CASH FLOW STATEMENT

(a) Cash (used in) operations

	€
(Loss) before taxation	(2,318,681)
Adjustment for:	
Depreciation	326
Amortisation	6,179
Interest receivable	(888)
Interest paid	12,096
Unrealized losses on exchange	11,350
Operating (loss) before working capital	(2,289,618)
Increase in held-for-trading investments	(199,583)
Increase in trade and other receivables	(8,564)
Increase in payables	585,233
Cash (used in) operating activities	€ (1,912,532)

(b) Plant and equipment

During the period under review the company purchased plant and equipment amounting to € 1,303, and intangible assets of € 18,725 as disclosed in notes 9 and 11 to the financial statements. These purchases were paid for in cash.

(c) Cash and cash equivalents

Cash and cash equivalents consist of balance with banks. Cash and cash equivalents included in the statement of cashflows and the statement of financial position comprise the following amounts:

Cash at bank	€ 198,137

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

20. RELATED PARTY DISCLOSURES

(a) Balances

Amount due from and to related undertakings are disclosed in note 18 to the financial statements.

(b) Transactions

During the period under review, the Company carried out transactions, in its normal course of the business and on an arm's length basis, with the following related undertakings:

Name of entity	Nature of relationship
Apeiron Investment Group Limited	Immediate Parent Company
Apeiron 101 Ltd	Subsidiary Undertaking
Cryptology Advisory Limited	Subsidiary Undertaking

The following were the significant transactions carried out by the Company with related undertakings having:

Significant control	€
Transactions with immediate subsidiary companies:	
Recharge of administrative costs from subsidiaries	76,672
Recharge of wages and directors' fees from subsidiary	147,168
Other interest recharged from subsidiary	12,083
Transactions with immediate parent company:	
Recharge of administrative costs from parent	6,725
Balances with immediate subsidiary companies:	
Amounts payable to immediate subsidiary undertakings	574,475

(b) Immediate parent Company and Ultimate Beneficiary Owner

The majority shareholder of the company is Apeiron Investment Group Limited, holding 50.94% at year end. In May 2019 this was diluted to 49.96% of total shareholding, with the remaining shareholding being held by various other members, with a percentage holding of less than 20% each. Apeiron Investment Group Limited is a company registered in Malta, with its registered address at Block A, Apt 12, Il-Piazzetta, Tower Road Sliema, SLM 1605, Malta.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

20. RELATED PARTY DISCLOSURES (continued)

(b) Immediate parent Company and Ultimate Holding Company

The ultimate beneficial owner of Apeiron Investment Group Limited is Mr. Christian Berthold Angermayer, residing at The Penthouse 2901, Canaletto Tower, City Road, London, EC1V 1AF United Kingdom.

21. FINANCIAL RISK MANAGEMENT

By their nature, the Company's activities are principally related to the use of financial instruments. The main activity of the Company is to invest in blockchain-model companies. It is established knowledge that the activities will potentially expose it to a variety of risks, including credit risk, liquidity risk, market risk and currency risk. The Company's risk management is coordinated by the managing Director and the Advisory Board and focuses on actively securing the Company's short to medium term cash flow by minimising exposure to financial risks. The Company's aim is to disclose possible relevant information to enable users of the Financial Statements to evaluate the nature, extent and precautions taken of risks arising from financial instruments to which the company is exposed at the end of the financial period.

21.1 Credit risk

This represents the risk of loss of principal or loss of interest to be earned from a borrower's failure in repaying debts or else failure to meet contractual obligations. The credit risk arises every time the company may want to use future cash flows through the payment of current obligation. In this scenario, the credit risk may be either on the borrower, where an obligation to repay both the principal and the interest accrue in favour of the lender, or to the investor who has placed funds in securities or loaned money where a foreseeable repayment of debt and interest thereon is contemplated.

Credit risk may also be related to an investment's return where yields on bonds correspond to their supposed credit risk. The Company, in this respect, did not invest in interest-bearing securities during the period under review.

The Company's exposure to credit risk related to the carrying amount of the current financial assets, recognised at the end of the reporting period, as summarised below:

	Notes	
		€
Class of financial assets – carrying amounts:		
Held-for-trading investments	14	188,233
Trade and other receivables	15	8,564
Cash and cash equivalents	19	198,137
		394,934

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

21. FINANCIAL RISK MANAGEMENT (continued)

21.1 Credit risk

During the period under review, the Company, or any of its subsidiaries, held non-cash current assets that were not subject to any risk for liquidating them. All traded financial assets and accounts receivables were eventually liquidated in 2019, hence resulting in no provisions for losses during the reporting period.

Loans provided to the Company or to any of its subsidiaries where all honoured and paid in full during 2019 rendering a risk-free lending position to third parties. Furthermore, the Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal with only creditworthy counterparties.

The Company considers that the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for Cash and Cash Equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Exposure to Credit risk on FVTOCI securities

The company assesses whether financial instruments have experienced a significance increase in credit risk since initial recognition. When determining whether the risk of default on a financial instrument has increased significantly, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the shareholder's historical experience and due diligence and KYC procedures affected on the investee companies. The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- The remaining lifetime probability of default as at reporting date; with
- The remaining lifetime probability of default for this point in time that was estimated at the time of initial recognition of the exposure.

21.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

This is an important measure to take cognisance since any assets held by the company should be saleable when contemplating in generating immediate cash requirements.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

21. FINANCIAL RISK MANAGEMENT (continued)

21.2 Liquidity risk (continued)

In this scenario, the Company does take note of the fact that the market may be illiquid, hence the liquidity risk factor, or quite liquid, hence the financial asset held by the company will increase in value as there will be no potential capital loss in sight.

At 31 December 2018, the company's financial liabilities have contractual maturities which are summarised below:

	Note	*Current* Due within one year €	*Non-Current* Due between two to five years €
Financial liabilities:			
Trade and other payables	18	10,758	6,732,078
Amounts due to subsidiary undertakings	18	574,475	-
		€ 585,233	€ 6,732,078

In relation to financial liabilities falling due within two to five years, these relate to the Exchangeable Note supported by AFS investments which are closely monitored for their valuation. On the expiration of the exchangeable note, the AFS investments will be transferred in compensation for the financial obligation, not resulting in liquidity risks to the Company.

In this respect, the Company or any of its subsidiaries, did not require immediate cash to execute its activity, hence the liquidity risk was minimal, if at all. Any new investment projects shall be financed in new cash-rounds through fresh capital from new and/or existing members.

21.3 Market risk

Market risk is the risk that the fair value cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. It arises in all areas of the company's activities and is managed by a variety of different techniques as detailed below.

The objective of the Company is to manage and control market risk exposures in order to optimise return on risk while maintaining a market profile consistent with the Company's strategy. The major risk here is the movement of equity prices, particularly in this sector of business. The risk is mitigated by the fact, that management make a selection of investments built from experience and by determining the market risk commensurate with the return on them. Whilst it is Management's responsibility and commitment to focus on such unpredictability of the markets, these are minimized as much as possible. The Company's Advisory Board is being structured to take these considerations into account and with the sole aim to decide when, where and how to purchase and/or sell financial assets.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

21. FINANCIAL RISK MANAGEMENT (continued)

21.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in market interest rates. The company's exposure to interest rate risk is limited to the variable interest rate of interest- bearing loans and borrowings. Cash and cash equivalents issued at variable rates expose the Company to cash flow interest rate risk. Management monitors the level of floating rate bank balances as a measure of cash flow risk taken on.

Based on this analysis, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period is to be immaterial, in view of the Company's limited exposure to bank and borrowings.

21.3.2 Currency risk

Exchange-rate risk arises from the change in price of one currency in relation to another and, the fair value or a future cash-flow transaction emanating from the sale or purchase of a financial instrument where exchange rate fluctuations may occur. Since one of its major investments lies across national border and this is predominantly in US Dollars, the Company recognises that this might create an unpredictable gain or loss. At the reporting date the exchange rate has moved in favour of the Company.

The Company intends to mitigate currency risk by investing predominantly in Euro and in US Dollars, both of which are stable currencies with stable interest rates and controlled inflation.

The Company does not hold currency hedge funds, and a good arrangement to mitigate currency risks would be to keep currency denominated accounts for the operation of its trading activities. Furthermore, the investments held that are denominated in US Dollars are expected to accrue higher returns than the currency risks that may arise.

21.3.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity price risks arising from the holding of equity instruments classified either as available for sale or at fair value through profit or loss. The carrying amounts of financial instruments at the reporting date which could potentially subject the Company to equity price risk are disclosed in notes 13 and 14 to the financial statements. The Company counteracts the price risk by adopting an investment strategy of investing in start-up companies with a potential for growth and consequent increase in their market prices.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

21. FINANCIAL RISK MANAGEMENT (continued)

21.3.5 Other risks

In view of the inherent volatility of the assets invested in by the Company, the management will take safeguards not to inflate unnecessarily and incorrectly the valuations thereof. Coupled with this approach, there is also risk on fair value computation risk in view of the fact that investees may either not be prompt in providing information or the financial information provided does not carry an independent assurance verification. Consequently, the Management takes responsibility in adopting proper tools in valuing its financial assets.

22. CAPITAL RISK MANAGEMENT

The company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company's capital structure is monitored by the Directors with appropriate reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Company's activities, the capital level as at the end of the reporting period is deemed adequate by the Company.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's accounting policy for determining the fair value of financial instruments is described in notes 2.2.1, 2.2.2, 2.2.3 and 2.2.12 to the financial statements. For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair values measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the entity can access at the measurement date.

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, whether directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3 inputs are observable inputs for the asset or liability. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs that have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or adjustments are required to reflect differences between the instruments.

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

- Basis of valuing financial assets and liabilities measured at fair value

Assets	**Level 1** **€**	**Level 2** **€**	**Level 3** **€**	**Total** **€**
Held-for Trading Investments	188,233	-	-	188,233
Available-for sale investments	-	-	29,741,752	29,741,752
	€ 188,233	€ -	€ 29,741,752	€ 29,929,985

The instruments classified within Level 3 comprise the AFS investments. In this respect, it has to be ascertained whether the financial asset is active or not in the market, hence obtaining financial information from the respective investees. Whilst acknowledging that valuations only provide an estimate of true value, yet the Company ensures to be closest to accuracy by selecting the best practices in a valuation technique. As contemplated in IFRS 13, the fair value measurement shall assume that a transaction takes place at that date, considered from the perspective of a market participant that holds the financial asset. Therefore, our valuation of 'Fair Value' is the price that a financial asset can be sold at in an orderly transaction in a market on that date under market conditions, irrespective as to whether the price is observable on an Exchange or using a valuation approach.

During the period under review, the Company held shares that are not easily observable in arriving at fair value. Such shares are not traded in the open market whilst the financial information available from the investee lacks detail. However, the Company holds information where shares are being traded much higher than the original cost. The Company is unable to carry out an exhaustive search to identify the market price but intends to rest on the latest financing-rounds in the investee at a discounted price for prudency sake, together with other observable inputs.

For reasons explained above, the Company has no option but to apply level 3 by making its utmost in maximising the use of relevant observable inputs. In applying level 3, the Company always asks:

- Is there an identical item held by another party as an asset?

- If in the affirmative, the Company will use the market value of the market-participant that holds the identical item;

- **CRYPTOLOGY ASSET GROUP P.L.C.**

- **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the period from 10 January to 31 December 2018

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

- The Company, always obtains financial information directly from the investee to compare the Net Asset Value against the market value of the market-participant.

IFRS 13 does not preclude the Company from using our own collected data.

24. SUBSEQUENT EVENTS

After year end, the Company, committed itself to the following events:

- After the balance sheet date, the Company invested, in a crypto-asset management firm based in Frankfurt which also holds offices in London and New York. Moreover, the Group has committed itself in a 50% joint-venture asset business arrangement with a global venture capital group;

- In 2019, the Group also invested in a publicly-listed company based in Frankfurt. This company focuses on Bitcoin block chain platform, and operates one of the most advanced mining-hardware built on renewable energy sources, with extremely operating cost efficiency;

- The Company participated in a joint-cash contribution agreement where it had taken up tokens with a profit opportunity. The trading went well and all tokens have now been sold rendering a substantial gain to the contributors; and

- Subsequent to the reporting-date, the Company identified other profitable projects, hence the members agreed to issue a private-placement that would facilitate to increase its cap-table by 250,000 shares at an effective 17.5% discount on the prevailing PV share. Such increase will represent 8.6% of the Company's post-capital increase and such shares shall be offered to accredited/qualified investors only.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Cryptology Asset Group p.l.c - Report on the Audit of the Financial Statements.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cryptology Asset Group p.l.c, set out on pages 5 to 36, which comprise the statement of financial position as at 31 December 2018, the statement of comprehensive income, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements show a true and fair view of the financial position of the Company as at 31 December 2018 and of its financial performance and cash flow for the period then ended in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, and include a description of the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matter, together with our response by way of the audit procedures we performed to address that matter during our audit, and key observations arising with respect to such risks of material misstatement.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (continued)

Fair Value Measurement of Available-for-Sale Investments:
Available-for-sale Investments – changes in fair value reflected in Other Comprehensive Income

Reference is made to Accounting policy 2.2.12 to the financial statements and Notes 13 and 23 for further disclosure. The company's policy for investing in financial instruments is dependent on the experience of the founders, who together with other influential investors, have set aside sufficient funds to finance new projects and innovative products.

The Company's financial instruments for the period under review were predominantly invested in securities in jurisdictions that do not require extensive financial reporting. The Company does not value its AFS investments on the basis of Level 1 and Level 2 inputs since these investments are not quoted on a listed market. Consequently, the valuation of the said securities is determined by using appropriate observable and unobservable market data, and other inputs extracted from determinable sources, which gives rise to an element of risk in determining the fair value. The Level 3 inputs resulted in net fair value gains of € 7,673,970, reflected in OCI. We have considered that this basis of valuation is a Key Audit Matter mainly as a result of the following:

- unaudited financial information of the investee undertakings;
- observable inputs limited to selective investors; and
- inherent volatility of the underlying assets of the investee undertakings.

Due to the extent of such inherent estimation uncertainty underlying the valuation of the investments, the amounts recognised in the OCI may result to be different than amounts determinable should Level 1 and Level 2 inputs have been applied. These differences may be material.

How our audit addressed the Key Audit Matter

We have evaluated the appropriateness of the methodologies used in estimating the valuation arising on the AFS investments as part of our substantive procedures as follows:

- We analysed the underlying assets of the investee companies through a combination of valuation techniques. In applying the valuation techniques, data inputs and financials of the investee companies were analysed in a manner to factor the market changes in the underlying assets and other sensitive market variations in the valuation. Impairment tests were carried out on the sub-classification of assets to take into account the inherent volatility of the balances.
- We determined the net asset value, following impairment tests carried out, and compared to other observable inputs, including share prices for other share transfers effected subsequent to the Company's acquisition of the shares. The share price is representative of the price that the financial asset can be sold at in an orderly transaction in a market on that date under normal market conditions, irrespective as to whether the price is observable on a listed marker or using a valuation technique.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (continued)

- Consequent to the above, in verifying the fair value, we relied on the share prices sought in latest financing-rounds in the investee at a discounted price, together with other observable inputs. However, this could only be applied and accepted, if the share prices for similar investors investing in the same investee companies could be substantiated to underlying company valuations and future company potential.

Other Information

The directors are responsible for the other information. The other information comprises the information disclosed in the directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Art. 177 of the Companies Act (Cap. 386).

Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report has been prepared in accordance with the Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU, and in accordance with the Companies' Act, 1995. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are also responsible for overseeing the financial reporting process.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CRYPTOLOGY ASSET GROUP P.L.C.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception by the Act

Pursuant to articles 179(10) and 179(11) of the Companies Act, we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.

- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

The principal authorised to sign on behalf of Parker Randall Turner on the audit resulting in this independent auditors' report is Mr. Arthur Douglas Turner.

Mr. Arthur Douglas Turner – Partner
- **On behalf of Parker Randall Turner**

"Parker Randall Turner"
13, Curate Fenech Street
Birzebbugia BBG 2032
Malta
- 18 December 2019

11. Information on Major Shareholders, Related Party Transactions, Conflicts of Interest, Share Capital, Legal Proceedings and Material Contracts

11.1. Major Shareholders

As of the date of the Prospectus, based on information available to the Company, 49.56% of its Shares are held by Apeiron Investment Group Ltd.

With respect to other shareholders, since the listing of the Shares on the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*), the Company no longer has a complete overview of other shareholders' individual shareholdings because pursuant to Section 20 of the German Stock Corporation Act (*Aktiengesetz*), only any corporate entity that acquires more than one-quarter of the Company's shares must notify the Company of such acquisition in writing without delay, and no further notification obligations with respect to sales or purchases of the Shares apply under German or Maltese law.

11.2. Voting Rights of Shareholders

Each of the Company's shares carries one vote in the Company's general shareholders' meeting. There are no restrictions on voting rights or deviating voting rights. However, the Company may not exercise its voting rights from its treasury shares.

11.3. Controlling Relationships

Apeiron Investment Group Ltd owns 49.56% of the Shares and is able to influence the Company's decision making processes significantly, however no single shareholder owns 50% or more of the Company's voting rights, and thus does not exercise control over the Company under applicable Maltese regulations.

11.4. Future Change of Controlling Relationships

The Company is currently not aware of any agreements that could, at a later date, lead to a change in control of the Company.

11.5. Related Parties Transactions

Related parties of the Company include the members of the Board of Directors and the Advisory Board, including their close family members, as well as those companies on which members of the Board of Directors or the Advisory Board or their close family members can exercise significant influence or hold a significant share of voting rights. In addition, related parties are also companies with which the Company forms a group or in which the Company holds an interest that enables the Company to exercise significant influence, as well as the principal shareholders of the Company, including their affiliated companies.

See Note 20 to each of the Audited Financial Statements in Section 10.4 above for an overview of such transactions with related parties for the years ended 31 December 2019 and 31 December 2018 (from 10 January 2018). Set forth below is an overview of such transactions with related parties from 1 January 2020 up to and including the date of this Prospectus.

During the current financial year up to 31 August 2020, the following related party transactions took place:

Transaction	Amount in EUR
Recharge of administrative costs from subsidiaries	216
Recharge of wages from subsidiary	115,131
Funds transferred from subsidiary	35,000
Subtotal	150,347
Direct costs funded by parent company	(107,567)
Increase of related party activities	42,780
Total amount payable to subsidiary undertaking	292,276
Loans from related undertakings	
Grey Study Capital GmbH	1,000,000
Total loans from related undertakings	1,000,000

The loan mentioned above carries an interest of 5% per annum up till 31 December 2020 and 7% per annum from 1 January 2021 onwards.

On 14 September 2020, the Company entered into a Securities Loan Agreement with Apeiron Investment Group Ltd, a related party, under which the Company loaned 350,000 Northern Data shares to Apeiron Investment Group Ltd, which, as securities borrower, is under the agreement terms obliged to return the shares to the Company not later than 31 December 2020. The agreement carries an interest charge of 5% p.a. based on 360 days. The securities borrower has given sufficient and adequate liens against the loan received.

No other additional material related party transactions have been entered into since 30 September 2020.

With regard to the remuneration of the members of the Board of Directors and the remuneration of the members of the Advisory Board, reference is made to Section "*9.1 Board*" and Section "*9.2 Advisory Board*" of the Prospectus.

In addition, the Company has relationships with members of the Advisory Board and their affiliated companies, who are at the same time shareholders of the Company, as described in section "*9.2 Advisory Board*" above.

11.6. Further Information regarding Board of Directors and Advisory Board

11.6.1. Board of Directors and Advisory Boards' potential conflicts of interest

Certain of the members of the Board of Directors and the members of the Advisory Board and their affiliates, respectively, directly or indirectly hold shares in the Company. As a result, they have financial and economic interests, separately from their positions in the respective governing body that may diverge from the Company's and, thus, may constitute a potential conflict of interest and also have an own interest in a successful completion of the Offering. In other respects, no conflicts or potential conflicts exist with regard to obligations owed to the Company as of the date of the Prospectus that could result from their private interests or other obligations, except as described in this section 11.6.1.

11.6.2. Delegation or Appointment Rights

No agreements exist with main shareholders, customers, suppliers or other persons in regard to the appointment of a Board of Directors or Advisory Board member.

11.7. Share Capital

11.7.1. Share Capital and Shares

The Company's share capital amounts to EUR 2,732,500.00 and is divided into 2,732,500 ordinary shares each with a nominal value of EUR 1.00 in the Company's share capital. All 2,732,500 issued shares are fully paid-up. The Company's shares were created pursuant to the laws of Malta and are denominated in euro.

Each Share carries one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights and the Shares carry full dividend entitlement. All Shares of Cryptology Asset Group p.l.c. are part of the Company's capital and held by the existing shareholders.

11.7.2. Development of the Share Capital

The Company was incorporated on 10 January 2018 with a share capital of EUR 2,000,000 divided into 2,000,000 ordinary shares with the nominal value of EUR 1.00 each in the Company's share capital with only 25% of the shares full paid-up. On 31 January 2018, the remaining amount of EUR 1,500,000.00 was paid up resulting in having fully paid up 2,000,000 shares.

The following table sets out the increases in the Company's share capital from the founding of the Company to the date of this Prospectus:

Date	**Capital increase**	**Change of the issued capital**		**Resulting number of ordinary shares**
		Nominal amount of the capital increase	**Resulting share capital**	
10 January 2018	Incorporation	EUR 2,000,000.00	EUR 2,000,000.00	2,000,000
February 2018	Capital increase against contribution in cash	EUR 650,000.00	EUR 2,650,000.00	650,000
October 2019	Capital increase against contribution in cash	EUR 80,000	EUR 2,730,000.00	80,000
February 2020	Capital increase against contribution in cash	EUR 2,500	EUR 2,732,500.00	2,732,500.00

Reconciliation of the number of Shares outstanding at the beginning and end of the years 2018 and 2019

Date	Number of Shares
As of 10 January 2018	2,000,000
As of 31 December 2018	2,650,000
As of 31 December 2019	2,732,500

11.7.3. Authorized Capital

As of the date of this Prospectus, the Company has an authorized share capital of EUR 2,900,000.00 divided into 2,900,000 ordinary shares having a nominal value of one EUR 1.00 each in the Company's share capital.

The Board of Directors is authorised to increase the issued share capital of the Company on one or more occasions up to the date of this resolution by a total of up to EUR 2,900,000.00 against cash and/or non-cash contributions by issuing up to 2,900,000 new shares. The new shares are entitled to participate in profits from the beginning of the fiscal year for which, at the time of the issue of the new shares, no resolution of the annual general meeting on the appropriation of the balance sheet profit has yet been passed. In principle, the shareholders are to be granted a subscription right.

11.7.4. Treasury Shares

At the date of this Prospectus, the Company holds 19,925 treasury shares, and no third party holds any shares of the Company on behalf of, or for the account of, the Company.

By resolution adopted on 4 May 2020, the Company is authorized, pursuant to Clause 41 of its Articles of Association (and in terms of Article 106 of the Companies Act, Cap. 386 of the Laws of Malta) to acquire in its own name such number of Shares subject to the following terms and conditions:

- the maximum number of Shares that the Company is authorized to acquire must not exceed 10% of the issued share capital;
- the Company's authority to acquire its owns shars will be valid for 18 months from 4 May 2020; and
- the Company will be authorised to acquire any ordinary share at any price up to a maximum of EUR 40.00 per Share.

On 3 June 2020, the Company’s Board of Directors implemented this authorization and approved the Company’s acquisition of up to 273,250 treasury shares in the period from 4 June 2020 to 3 November 2021, whereby the buy-back is limited to such a number of shares or to a total purchase price of up to EUR 10,930,000. On 7 August 2020, the Company’s Board of Directors further limited the maximum number of shares to be acquired from to up to 136,625, with a total purchase price of up to EUR 10,930,000, or up to a maximum of EUR 80.00 per share. The maximum number of shares repurchased will remain at 273,250 shares but with a maximum price of €80 per share.

The buy-back is being carried out via the Düsseldorf stock exchange. The price per share paid by the Company (excluding incidental acquisition costs) may not be more than 5% higher or lower than the average closing price for shares of the same class on the last trading day prior to the acquisition. The buy-back is taking place under the leadership of Baader Bank AG, which is an investment firm or a credit institution for purposes of, and in accordance with, the safe harbor provisions of Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and Council of 16 April 2014 in conjunction with the provisions of Delegated Regulation (EU) 2016/1052 of the Commission of 8 March 2016. Baader Bank AG makes its decisions on the time of the repurchase of shares independently and uninfluenced by the Company. The Company intends to use the repurchased shares as funds for acquisitions. All share repurchase transactions are announced weekly after their execution on the Company's website (https://cryptology-ag.com/) in the Investor Relations section. Up to the date of this Prospectus, 19,925 shares have been repurchased under the auspices of this share buyback program.

11.7.5. Authorization to issue Convertible Bonds and/or Bonds with Warrants

At the date of this Prospectus, the Company has not issued any convertible securities, exchangeable securities or securities with warrants.

11.7.6. Conditional Capital

As of the date of this Prospectus, the Company does not have any conditional share capital.

11.8. Articles of Association of the Company

11.8.1. Change of Control of the Company

The Company's Articles of Association do not contain provisions regarding a change in control of the Company.

11.8.2. Regulations in the Articles of Association pertaining to Capital Changes

According to the applicable statutory provisions, changes pertaining to the Company's share capital, in particular capital increase, capital decrease or creation of authorized or conditional capital will be made through a resolution of the annual general shareholders' meeting, which is rendered with the majority of votes cast. Where the law also requires a capital majority for resolutions, the simple majority of the capital represented at the time of the resolution will be sufficient, if this is legally permitted.

The memorandum of association and the Company's Articles of Association do not contain any provisions, which related to changes in regard to the share capital and are stricter than the legal regulations.

11.9. Legal Disputes and Arbitration Proceedings

As of the date of this Prospectus, Cryptology (including its subsidiary) is not, and has not been in the past 12 months, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), which may have, or have had in the recent past significant effects on the Company's financial position or profitability.

11.10. Material Contracts

The following provides an overview of material contracts, other than contracts entered into in the ordinary course of business, to which the Company is a party, entered into or ongoing during the last year.

As of the date of this Prospectus, Cryptology has two overdraft loans in place: on 15 May 2019, Raiffeisen Bank Attersee - Süd e.V. (Austria) granted the Company a revolving overdraft of EUR 7.5 million and on 8 May 2020, Baader Bank AG granted the Company a EUR 3 million credit line.

On 30 October 2019, Cryptology granted a short-term, interest-bearing shareholder loan to its major shareholder, Apeiron Investment Group Ltd, in the amount of EUR 1.5 million, which eventually was fully repaid.

In July 2020, Cryptology received shareholder loans in the aggregate amount of EUR 1.55 million, bearing interest at 5% per annum until 31 December 2020 and 7% per annum from 1 January 2021 onwards. In the same month, Cryptology also received a loan from a third-party creditor in the amount of EUR 3 million, bearing interest at 5% per annum.

On 14 September 2020, the Company entered into a Securities Loan Agreement with Apeiron Investment Group Ltd, a related party, under which the Company loaned 350,000 Northern Data shares to Apeiron Investment Group Ltd, which, as securities borrower, is under the agreement terms obliged to return the shares to the Company not later than 31 December 2020. The agreement carries an interest charge of 5% p.a. based on 360 days. The securities borrower has given sufficient and adequate liens against the loan received.

12. Documents available for Inspection

For the period during which the Prospectus is valid, copies of the following documents are available for inspection during regular business hours at the Company's registered office at Block A, Apartment 12, Il-Piazzetta, Tower Road, Sliema, SLM 1605, Malta:

- the Company's memorandum and Articles of Association; and
- Audited Financial Statements of Cryptology Asset Group p.l.c. prepared in accordance with the IFRS as of and for the financial years ended 31 December 2019 and 31 December 2018 (10 January 2018 to 31 December 2018).

The approved Prospectus as well as the documents mentioned in this Section 12 are also published on the Company's website, www.cryptology-ag.com.

13. Glossary

Articles of Association	Company's articles of association, as amended
Audited Financial Statements	Audited financial statements prepared in accordance with IFRS for the financial years ended 31 December 2019 and 31 December 2018 (10 January 2018 to 31 December 2018)
AuM	Assets under management
BaFin	German Federal Financial Supervisory Authority *(Bundesanstalt für Finanzdienstleistungsaufsicht)*
Company	Cryptology Asset Group p.l.c., Malta
EEA	European Economic Area
ETNs	Exchange-traded notes
EU	European Union
EUR	Euro
Cryptology	The Company and its subsidiary, Cryptology Advisory Limited
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
Germany	The Federal Republic of Germany
Inclusion	Inclusion of the Shares to trading on the primary market segment (*Primärmarkt*) of the open market (*Freiverkehr*) of the Düsseldorf Stock Exchange (*Börse Düsseldorf*)
IFRS	International Financial Reporting Standards
ISIN	Abbreviation for International Security Identification Number. The ISIN serves for the international identification of securities. It consists of a two-digit country code (for example, DE for Germany), followed by a ten-digit numeric identifier.
Issuer	Cryptology Asset Group p.l.c.
LEI	Legal entity identifier
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC Text with EEA relevance.
Offering	Offering in the Federal Republic of Germany of a total of 19,925 ordinary shares of the Company with each such share having a nominal value of EUR 1.00 in the share capital of the Company and with full dividend rights as of 1 January 2020.

Shares	Ordinary shares with nominal share value of EUR 1.00 each of Cryptology Asset Group p.l.c.
Prospectus	This EU Growth prospectus
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
Relevant Period	Period as of 31 December 2019 and up to the date of this Prospectus
WKN	Abbreviation for *Wertpapierkennnummer*; German for Securities Code
WpÜG	German Securities Acquisition and Takeover Act (*Wertpapiererwebs- und Übernahmegesetz*)